TOURISM IN ALASKA'S
COASTAL ZONE:
AN ECONOMIC STUDY

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AN ECONOMIC STUDY

PREPARED FOR
ALASKA DEPARTMENT ENVIRONMENTAL CONSERVATION
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ENVIRONMENTAL ANALYSIS SECTION

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Tourism in Alaska's Coastal Zone: An Economic Study

Introduction

This study is an attempt to identify the economic effects of tourism in Alaska's coastal zone. It describes where tourism occurs, what kinds of tourism exist and how significant tourism is to the economy of each coastal zone community and region.

Since little tourism economic research has been done since Statehood this study had to develop economic information from two other sources:

1. A survey of coastal zone communities was conducted for this study and the results are used as one method of judging tourism economic effects.

2. Existing information in related fields was analyzed as it pertains to tourism. Two methods of measuring the economic effects of tourism resulted from using this information. A business license analysis revealed the numbers of tourism-related businesses and; an analysis of selected tourism activities produced information on the locations, volume and kinds of tourism in the coastal zone.

None of this information compensates for the lack of economic work in the field of Alaska tourism. However, it does give a starting place for dealing with the where? What kind? How much? and How important? questions about tourism.

The primary objective of this study is to provide the information discussed above. This is contained in detail in Part II, Economic Effects of Tourism.

In addition to this information two other parts are included to make this study more useful to Coastal Zone planners.

Part I, Explanation of Tourism, is exactly that. It explains what tourism is so readers can better understand the information in the study. For example, fish, timber, oil and tourism are not economic birds of a feather even though they are commonly grouped together as Alaska's major industries. This and other points such as definitions are discussed in Part I.

Part III, Suggestions for Generating Economic Information on Tourism, offers a method for measuring economic effects using the Standard Industrial Classification (SIC) system. Virtually all reliable national, statewide and regional economic data, including employment and business receipts, are based on this system. Part III sketches how this would be done and gives an example of using data based on the system. The example calculates the average monthly wage of tourism-related employment for 1974.

To summarize, this study provides an understanding of tourism, it provides information on its economic effects in the coastal zone and it suggests a method for securing economic information in the future.

Other major economic influences such as fisheries, timber and petroleum have great amounts of information and data describing them and analyzing their effects. Tourism has remained an economic influence of which little is known and less has been recorded. This study is a first major attempt at providing information about tourism at the local level.

It is hoped that Tourism in Alaska's Coastal Zone: An Economic Study, will provide knowledge of tourism, information on its extent and existence in the coastal zone and a means for learning more about tourism. Perhaps it will open a door and shed "first light" on a subject of at least some importance to Alaska.

Purpose

The purpose of this study is to provide information on the existence of and the economic magnitude of tourism in Alaska's coastal zone. This information is intended for coastal zone planners and others at the community, regional, state and federal levels. It provides a basis for consideration of tourism as one of several human uses having economic, social and environmental effects in the coastal zone.

Tourism is considered a major economic influence by many. This study identifies its overall economic effect as at least moderate if not significant in the coastal zone. In any event, it affects not only the economy but the environment, culture and society of Alaska as well. It is a foregone conclusion, based on national and international trends, that tourism impact will grow and will spread to more areas of the state.

Strangely, Alaska is currently in a state of ignorance of this economic force which will have increasing impact in the future. The Alaska Division of Tourism and the industry organization, the Alaska Visitor's Association, agree that too little is known. If state and local governments are to play intelligent roles in tourism development they must have at least some information.

Yet little has been done by the state or the private sector to perform research which would shed light on the magnitude and character of tourism. Its benefits are unknown but are guestimated and trumpeted by proponents on occasion. Its costs have been touched on only once, this by the Division of Policy Development and Planning in a study, Alaska Tourism in the Bush (June, 1975).

PART I

EXPLANATION OF TOURISM

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Introduction

Part I provides information intended to contribute to the reader's understanding of tourism. Here are some of the topics discussed:

Multiple definitions cloud almost any discussion of tourism. Should it include only non-residents? What about business travelers? How about Alaskans traveling? Definitions are clarified in this part.

The economic nature of tourism is debatable as well as its definition. Is tourism really an industry? In technical economic terms it is not. The Standard Industrial Classification system has no code (and it has hundreds). Part I explains how this is so for tourism.

A certain set of conditions must exist before tourism is possible in a local area. Access, accommodations and attractions are the necessary conditions. Tourism can be encouraged or retarded by control of these conditions. Presence or absence of these dictate the effects of tourism in the coastal zone.

No valid economic information exists on tourism at this time. The reasons why are detailed in Part I.

The Coastal Zone itself is critically important to the economics of tourism in all of Alaska. Why is this so?

The historical development of tourism gives us clues for future and information useful to communities.

These topics and other discussions pertinent to tourism in the Coastal Zone are contained in Part I.

Why There is no Valid Economic Information on Tourism in Alaska

A major finding of this study is that there is not, and has not been, any valid economic information and data on tourism in Alaska. This topic is covered first to explain why this study contains the type of economic information shown in Part II.

There are four main reasons for this continuing void:

1. Tourism is not an industry in a technical economic sense. (see definitions, tourism industry:).

The result of this is no data on tourism is collected by any standard economic data systems. The basis for almost all economic data, the Standard Industrial Classification system, has no classification for tourism as an industry.

Economically, tourism is a consumption function as opposed to a production function. Manufacturing, construction, mining and agriculture are production functions. Tourism or touring is an activity more like eating in which goods and services of value are consumed while doing that activity. Touring, eating and traveling are consumption functions.

The importance of this distinction is in standard economic data systems. Elaborate and specific data are recorded on employment, wages paid and gross business receipts in metal mining, food processing, agriculture and all other production functions in the Alaska and U.S. economies. Alaska has employment and wage data for 65 production functions or Standard Industrial Classifications (S.I.C.'s). Yet there is no tourism classification listed because it is not a production function.

Tourism cannot, and for the sake of economic accuracy, should not, be compared with production industries. Try to compare eating (or touring) with petroleum mining in terms of employment and production value.

Tourism consumes a variety of goods and services produced by industries which are included in standard employment and other economic data. Air transportation; hotels, motels and lodges; and personal services are examples of standard industrial classifications for which economic information is readily available. There is no economic information readily available on tourism, perse.

2. <u>There is no standard definition of "tourist" in Alaska or in the United States</u> (see definitions, Universal Definition of Tourist:).

This makes it impossible to count, measure or estimate the volume or economic magnitude of tourism. Further, it has prevented any measure of tourism's relative importance or unimportance to the economy of Alaska, its regions or its communities.

Presently, the Alaska Division of Tourism uses a definition of tourist which specifies a non-resident, staying overnight and having pleasure as a major purpose of his travel. This is a pretty cleancut concise definition which could be used as a basis for economic research. On the other hand, the Alaska Visitor's Association uses the word "visitor" instead of tourist and includes anyone over 50 miles from home regardless of

residency, purpose, duration or distance of travel. The two organizations both dealing with tourists do not mean the same thing when using the word tourist.

This definition problem has rendered past tourism studies relatively useless for comparison to one another for present day analysis. This study contains no historical data nor any projections for the simple reason that there is no valid information to use.

3. Tourism is neither taxed nor regulated in Alaska.

Not that it should be taxed or regulated but this means no information is collected on tourism as a result of required record-keeping.

Many economic forces are measured because they are taxed or regulated. We know how many barrels of oil are produced and their value because we collect a tax on them. We know how many board feet of trees are cut because a stumpage fee is collected. We know how many packs of cigarettes were smoked in Alaska because of the cigarette tax. We know how many embalmers there are because they must be licensed. We know how many non-residents worked here because they pay a state income tax. And we know how many red salmon were caught in Bristol Bay and how many got away.

Specific forms of tourism are taxed and regulated such as non-resident big game hunting and sport fishing. As a result we are able to assess non-resident impact on big game populations and on state license revenue. However the majority of tourism

activity is not recorded through taxation or regulation.

4. Economic information and data are not demanded or required by those most involved in tourism.

Key government agencies, organizations and businesses associated with tourism are involved primarily in its promotion. Thus, industry and state government funds are directed largely to selling and promotion rather than to measuring and analyzing tourism. The sale of tours, a high-priced discretionary item, is stimulated considerably by promotion, advertising and other sales devices. This explains the emphasis on promotion of tourism.

The State Division of Tourism (required by statute), the Alaska Visitor's Association and tour businesses operate from a promotional posture regarding tourism, encouraging its growth and importance. This is a difficult posture from which to generate statistically valid and objective data concerning tourism's size and value. The limited data produced on tourism has been produced either by the Division of Tourism or the industry association.

Funds for valid research efforts have not been made available by the legislature in the budget process. Conversely, funds for the promotion of tourism, allowing the Division of Tourism to meet its statutory obligation to promote the industry, total several hundred thousand dollars annually.

Because of its promotional mission, the Alaska Division of Tourism probably should not be expected, or relied upon, to produce economic data. If data is required for State planning and policy making it should probably be generated by those needing the data.

Definitions

Tourist (State of Alaska): A non-resident traveling to Alaska for the purpose of pleasure or including pleasure as a major item in his travel plans and staying overnight.

This definition includes persons traveling for pleasure, to visit friends and relatives and those combining pleasure with some other purpose, usually business.

Resident tourist: A resident of the State traveling out of his home environs but within Alaska for the purpose of pleasure and staying overnight.

Touring: The act of traveling to and within Alaska for the purpose of pleasure.

Tourist Activity: A specific form of touring which creates an economic effect on a geographic area.

In this study, the area is Alaska's coastal zone. Major touring activities are cruiseship touring, ferry touring, package touring, recreational touring in vehicles, local touring, independent touring, camping, fishing, hunting, winter touring and miscellaneous outdoor touring which includes hiking, canoeing and climbing.

Tourism: A collective term referring to all touring activities and their economic, social and environmental effects.

Tourism Industry: A collective term referring to the businesses which sell goods and services to tourists.

Industries are usually defined as a group of businesses which produce a similar product, regardless of to whom they sell. The tourism industry, by contrast, is defined by the people to whom the businesses sell regardless of what it is they produce.

This reversal causes confusion in economic analysis because "industry" means one thing for other industries and another for tourism. However, in common usage most people understand "tourism industry" in the collective sense as businesses which sell to tourists.

Standard Industrial Classifications, the basic system for economic analysis in the U.S. and Alaska, has no classification for businesses producing tourism or touring. The reason is that touring does not produce, but rather consumes, goods and services. Air transportation, lodging places and eating and drinking places all produce goods or services which are consumed by people touring. Each of these is a Standard Industrial Classification because they produce something. Tourism or touring are terms describing a consumption activity parallel to eating or eatism rather than a production activity such as fish processing which results in products or services for sale.

Perhaps a case could be made for classifying "package tour" companies into a production classification because they combine elements of touring and sell them as a unit or package. However,

this function is usually performed outside the Alaskan economy as is purchase of the "package." In summary, tourism is not an industry in a technical economic sense.

Universal definition of tourist: One does not exist. However, there is a single point of agreement for all definitions but which is not useful because no statistics are collected on the basis of this definition. All tourist definitions agree that a tourist is a person traveling out of his home environs. From this point on definitions differ by length of time, distance, purpose, destination and other criteria.

For example, the Alaska Division of Tourism's definition specifies non-resident, overnight and pleasure as refinements to the basic definition. On the other hand, the Alaska Visitor's Association uses the word "visitor" and includes anyone more than 50 miles from home regardless of residency, purpose or duration of travel.

The result is a multiple definition problem in which each geographic or political entity means something different when using the word "tourist." This tendency for customized definitions sometimes creates amazing results. North Carolina reported 45,000,000 out-of-state visitors in 1972 while "unpopular" Hawaii, by contrast, received only 2,630,952 visitors the following year. North Carolina counted everyone passing through. Hawaii counts non-resident overnighters only.

The number of tourists to Alaska could vary from perhaps

150,000 to over 1,000,000 annually depending upon the definition of tourist utilized.

Coastal zone (definition used for purpose of tourism analysis): Seaward drainages, estuaries and salt water areas in which tourist activities do or could possibly occur. Exclusions to this are parts of major river drainages which extend inland beyond the initial coastal area such as the Susitna, Kuskokwim, Yukon and Copper River drainages.

The locations of coastal communities are invariably adjacent to the shoreline while many of the tourist activities affecting their economies may be located further away but still within the coastal drainages. Also tourists are travelers by definition and they move in and out of any specifically defined coast zone in the course of traveling about Alaska.

Thus, we didn't use specific and numerical limits for a coastal zone definition for the purpose of tourism discussion and analysis. Instead we concerned ourselves with tourist activities which could affect 145 coastal communities and their local economies. And the communities themselves are specifically located within most coastal zone definition parameters.

Economic effects: A term used to describe economic transactions and their consequences which occur when people touring are present in a local, regional or coastal economy. The word "effects" is usually used instead of "impact" which is unavoidably associated with "environmental." We felt "economic impact" would

be confusing. However the terms "economic effect" and "economic impact" both are used throughout the study and their meanings should be considered the same.

We did not use "benefit" as in "economic benefit" because that presupposes an economic effect is beneficial and that is sometimes not the case.

Necessary Conditions for Existence of Tourism in a Local Economy

There are three necessary conditions which must precede the existence of tourism anywhere.

1. Attractions: There must be something which tourists want to see or do before they are motivated to travel to a particular geographic location. In Alaska, the attractions are predominantly natural features. Superb scenic values, glaciers, mountains, waterways, fish, wildlife and so forth dominate the list of motivating factors for tourist travel.

In unpublished research by the Alaska Division of Tourism (1971) of tourist anticipations as they entered Alaska, 60% (251) of 415 responses mentioned factors relating directly to the physical features of the State such as scenic beauty, glaciers, mountains, fishing. Of the top 15 responses, 11 were of this type.

In Southern California, by contrast, motivators are likely to be man-made attractions such as Disneyland, fine dining, entertainment, etc.

2. Accessibility: Transportation must be available for tourists to travel to a geographic location to enjoy its attractions. The faster, cheaper and more frequent the transportation service, the greater the volume of tourists is likely to be. The Arctic villages of Kotzebue and Barrow receive daily jet service and several thousand summer tourists. Other Arctic villages receive virtually no tourists as they have no frequent

or convenient transportation. Another example of the importance of access to tourist travel is a comparison of Katmai National Monument and Mt. McKinley National Park. Between 1971 and 1973, visits to Mt. McKinley National Park increased from 44,528 to 137,418 -- up 209% because of improved road access. By contrast, equally spectacular Katmai National Monument experienced only a 13% increase, from 1,049 to 1,102 overnight visitors, over the same time period. Access to Katmai remained the same: by air but with some degree of inconvenience and expense.

3. Accommodations: Physical facilities for accommodating tourists are the third necessary condition for the existence of tourism. Herein lies the basis for local economic effects of tourism. Rooms, restaurants, services and campgrounds are examples of accommodations.

The ability for a community to benefit economically from tourism is based on the accommodations which exist in the local economy.

Often attractions in Alaska are free or publicly provided such as fish and scenery, thus creating no economic activity by themselves. Transportation often has minimal economic effect in the local economy, especially in small places compared to revenue derived by transportation firms headquartered elsewhere. Thus, accommodations are the primary means of retaining economic effects of tourism in a local economy.

In summary, it is easy to see how these three factors of attractions, accessibility and accommodations are necessary conditions for the existence of tourism in a local economy.

Some places have attractions but poor accessibility (Aleutian Islands), the result being few tourists.

Others may have accommodations and access but lack major attractions (Bethel), the result being few tourists.

Still other places may have access and attractions but few accommodations (Hoonah), the result again being few tourists.

The existence or lack of these three conditions is reflected in the economic effects of tourism ratings and in business license analysis for each community in Part II of this study.

The Role of the Coastal Zone in Tourism

The coastal zone of Alaska is extremely important to the economic existence of tourism because it provides a large portion of the attractions, especially natural ones and many of the local economies upon which tourism is dependent.

The scenic values of the "Inside Passage" which is the steamer lanes through Southeast Alaska, is the prime selling card for package tours and ferry travel. The virgin quality of Southeast Alaska in general has high importance to tourism.

All of the cruiseship traffic and ferry traffic occurs in the coastal zone of course. A 1972 traffic study showed 1/3 of all Alaska tourists entered Alaska by water.

Package tours which extend into the Yukon and Interior Alaska have their major economic effects in coastal zone communities. Analysis of typical package tours offered in 1975 shows 61.3% of the economic effects occur in coastal communities.

The two most popular package tour options are coastal. These are the Columbia Glacier tour and Arctic tours which include the three major Arctic coastal communities of Barrow, Nome and Kotzebue.

Besides package tourism, other forms of tourism use the coastal zone in a more direct fashion.

A large share of resident and non-resident sport fishing occurs in the coastal zone. In a 1973 survey it was found that 80% of all Alaska sport fishing effort occurred in the coastal regions.

Big game hunting by non-residents frequently occurs in the coastal drainages because of the location of trophy animals there. Fifty-nine percent or 131 of 221 registered guides reside in coastal communities.

Camping activity in the Alaska State Park system occurred predominantly in coastal regions with 68% of the State's 1974 total at campgrounds on or near the coast.

In summary, several major forms of tourism activity in Alaska occur predominantly in the coastal zone. Almost all tourist travel patterns which include inland Alaska also include coastal Alaska. Most of the motivating attractions which make Alaska touring a saleable economic influence are coastal and natural. Examples of these are the Inside Passage, Glacier Bay, Tracy Arm, Mendenhall and Columbia and Portage Glaciers, virgin forests, fish, big game and other wildlife.

Tourism requires an environment which contains attractions from which pleasure can be gained. In the case of Hawaii these attractions are sun, sand and surf; for Southern California they are Disneyland and other manufactured pleasure-producing items and for Alaska the attractions are the glaciers, mountains, forests, waterways and the fish and creatures therein.

It is the natural environment of Alaska which provides the attractions from which pleasure is gained and these attractions make Alaska a popular tourist destination. Geographic areas

Note: For sources of data in this section refer to Part II Analysis of Tourism Activities.

which do not have spectacular physical features tend not to be popular tourist destinations.

However, historical and cultural attractions can make a tourist destination popular even if it lacks natural physical attractions. Much of Europe is an example. Alaska also has historical and cultural attractions which contribute to its draw for tourists; but still the spectacular nature of the physical environment is the major drawing card.

Virtually every tour is organized around Mt. McKinley, Glacier Bay, the Inside Passage, Columbia Glacier, Pribolof fur seals, and so forth. Advertising and brochures devote the large majority (perhaps 3/4) of their space to photos and descriptions of natural features, fish and animals. The balance of the space is devoted to cultural and historical attractions.

To summarize this point it can be said that the natural environment of Alaska provides both the predominant motivation for tourist travel and the major attractions from which tourists gain pleasure.

The Pitfall of Economic Evaluation and Competing Uses of the Coastal Zone

Tourism is sometimes cited as a competing use of coastal zone resources along with other industries such as forest products, mining, fishing and petroleum extraction.

It is true that these economic forces influence one another by using the same resources. Attempts are sometimes made to

rank one industry over another or to say one economic force is responsible for more jobs than the next to establish priority use of resources. There is a fallacy in this type of thinking. It makes economic impact the only criterion for resource allocation. Quality of life for local residents, costs of the impact, time span and social change or trauma are neglected when we play the game of jobs and value of production for one industry vs. those of another industry.

In many locations, tourism would lose the game of jobs, payroll and production value. Obviously onshore oil operations in Yakutat would employ more people at higher salaries than does guiding for steelhead fishermen in the nearby Situk River. But yet it is precisely the popularity of steelhead fishing by tourists which makes us aware of that resource.

Is there any reason to allow oil development in Yakutat to deplete the Situk by environmental damage or overfishing from additional resident population pressure? But if we consider all values, including economic ones, we may still have steelhead fishing in the Situk providing some local employment after oil development has tapered off or stopped.

In short, tourism will exist as an economic force as long as the attractions from which tourists gain pleasure are maintained.

The fact that most of these coastal attractions, or resources, create economic activity but are not consumed in the process, makes them "perpetual" resources in regard to tourism. If left as is, these attractions can cause tourism economic activity perpetually. By contrast, alternative uses such as

mining or forestry harvest makes these same resources only renewable at best.

It is true that over use of natural attractions by tourists can also alter or consume these resources. Yellowstone is a classic example of overuse altering the attraction (the park and its wildlife) itself. Perhaps Glacier Bay could be degraded from excess cruiseship traffic. However, it is generally the case that controlled tourist flow can allow the natural attractions to remain intact.

Tourism and the Alaskan Lifestyle

There are two sides to the tourism coin when we discuss the fact that residents and non-residents engage in many of the same activities for pleasure.

One side is that non-residents compete for resources and facilities used by Alaska residents. Tourists use highways, campgrounds, airports, docks, ferries, state parks, U.S.F.S. cabins and National Parks and Monuments in Alaska. They also catch fish and shoot game animals and waterfowl. This is said to result in a lower life quality for Alaskans.

The flip side argues that non-resident demand for these resources and facilities results in more facility development, better regulation and more cognizance of the importance of these resources and facilities for their use. The result is said to be enhancement of the Alaskan lifestyle and heavier political clout for protecting the attractions from destructive competing uses.

The point here is that both sides are correct. Tourism tends to reinforce certain values of the Alaskan lifestyle such as appreciation of the "country" and the pleasures it returns to both residents and tourists. However, just as excessive logging can eventually kill the golden goose for loggers, there may be some point at which tourist use of the environment (and even Alaskan society) will overwhelm the qualities which attracted tourists. For example, how much cruiseship traffic can Glacier Bay withstand before it becomes

affected and loses the pristine quality which makes it attractive?

This brings us to an important point to ponder on the nature of tourism: If Glacier Bay becomes degraded, does that mean less tourists will go there? Or if loggers cut too many trees will cruiseships still cruise Alaska?

People may still visit Glacier Bay and cruiseships may still cruise the "Inside Passage." Tourists may not stop coming altogether as we might think. What could happen is two things:

1. The quality of tourist may change. Glacier Bay and the "Inside Passage" in a degraded state may attract tourists less appreciative of the quality of their experience and less appreciative of Alaskan lifestyle values.

2. Alaska will become a less desirable place to live from nearly every standpoint except economic; there may be more jobs in pulp mills and gift shops but is that important to Alaskans already here? Is it important from a tax revenue standpoint?

In summary, there is no doubt that non-resident interest in Alaska is partly responsible for preservation of the qualities important to both Alaskans and tourists, but Alaskans should begin keeping track of the costs and benefits of non-resident tourism. Many feel Alaska can absorb lots more tourism before there is cause for alarm over negative impact. However, information is needed before Alaskans can even start talking about wanting or not wanting more tourism. Presently there is

no information which could indicate the relative balance of costs and benefits of tourism.

Political Status of Tourism

For those interested in either tourism or environmental quality the two topics may make good political bedpartners at this point in Alaska's development.

Many extractive-type economic forces are straining for more access to resources but there is a great deal of reluctance in Alaska to allow more access. Oil development and oil leases; fish processing and catches of salmon, halibut and other species; forest products and sustained yield harvest; these are all examples of industries which have consumed resources and altered lifestyles to the point where many Alaskans object to further development.

Tourism, as an industry in the early stages of development, can probably grow considerably before substantial public objection arises as to its size or its overuse of resources. This is a general statement. In some locations tourism is at a saturation point, but in many places there is room for growth and an apparent inclination to encourage it by some places which are not yet heavily affected.

Thus, tourism could be in a favorable position at present when it competes against other industries for use of resources in the coastal zone.

The community survey of tourism impact lends some insight into the political status of tourism. In many places tourism is not really an issue because its present impact is minor and it does not affect these communities and their lifestyles. In

these places it is also not a competitive threat for resources to the more dominant coastal industries such as commercial fishing or forest products. Therefore most communities are tolerant of tourism growth and many actively encourage it.

Tourism is an issue in places with heavier impact but most of these places have economies capable of dealing successfully with tourism. Anchorage, Juneau, Skagway, Valdez and Homer are some examples.

The less developed or subsistence-oriented communities are those reflecting a less favorable position toward tourism. They are the least likely to benefit economically and the most likely to suffer an unwanted lifestyle change from tourism activity in their local areas.

State coastal zone planning should consider the communities' political inclinations toward tourism and their economic ability to handle tourism. This study provides information on the economic ability of each coastal community in the Business License Analysis.

Present Level of Development for the Economic Effects of Tourism in Coastal Communities

In coastal Alaska, there are a limited number of local economies which could be considered "developed" in relation to tourism. For purposes of discussion, a "developed local economy" is one which has the ability to derive significant economic effects from tourists visiting the local area. In this respect, every town with an airport, dock or highway plus a medium quality hotel, restaurant and gift shop is developed. Yet, our business license analysis showed only 1/3 of the coastal communities had overnight accommodations classified under hotels, motels and lodges. Clearly many locations along the coastal zone could not absorb tourists from an economic standpoint.

The most highly developed communities for tourism, relative to their overall size were Girdwood, Skagway, Homer and Anchorage. Others showing considerable economic orientation toward tourism were Ketchikan, Juneau, Haines, Soldotna, and Valdez.

A great deal of the tourist development is concentrated in the Anchorage-Kenai Peninsula area and in a few specific parts of Southeast Alaska. These are also the places with relatively well-developed economies from sources in addition to tourism. Their economies have the ability to successfully deal with the effects of tourism. Many coastal communities do not.

The use of accommodations by tourists is concentrated in these larger population centers where accommodations already

exist. If a community has a sufficient population base and some industry, it will also have some travel-type accommodations to serve the local and business markets.

Since Alaska tourism is seasonal, it is often not feasible to operate accommodations only for the tourist market. As a result, tourists are drawn to places where accommodations already exist and from these places they tour to the major attractions.

This is why the larger economies, such as Anchorage, Fairbanks and Juneau tend to be the major economic beneficiaries of tourism activity.

Perhaps the best indicator of each community's level of development is the information in the Business License Analysis which appears later in this study.

Tourism Use of Public Facilities

Tourism-related businesses and tourists themselves make extensive use of publicly-provided facilities and lands.

Highways, the ferry system, port facilities, airports, campgrounds, state parks and national parks and monuments are examples of public facilities used by tourism.

In fiscal year 1974, 29.9% of Alaska State Park visitations were by non-residents. About sixteen percent of 1974 remote cabin usage was non-resident, according to Tongass National Forest data. Of total ferry passengers entering Alaska in 1974 an estimated 55-60% were tourists.

According to the Department of Highways one of every eight vehicles entering Alaska from May-September 1973 via highway was a non-resident camping vehicle and one of every five was a non-resident passenger vehicle.

In 1972 the Division of Tourism estimated 38% of airline passengers disembarking at airports in Alaska between May and September from the "lower 48" were tourists.

These figures give an indication of public facility use by tourism businesses and by tourists. None of these figures should be regarded as having a high degree of accuracy but they suffice to indicate the approximate volume of use.

Part of the public cost of constructing, maintaining and operating these public facilities are incurred on behalf of tourists and tourism. By the same token a share of revenues from ferry fare, landing fees, docking fees, etc. are derived from

tourism. Tourism can be a factor with both positive and negative aspects when the state or local governments consider the costs and benefits of new public facilities, especially transportation facilities.

Tourism's role is often that of a supplemental industry. It is seasonal everywhere in Alaska and has heavy economic effects in only a few places. It may not be justified to construct a new waterfront just for cruiseships and their brief stops. Yet to do so for improved freight and shipping plus cruiseship traffic may be a feasible action from a cost/benefit standpoint.

Looking Ahead to Tourism Impact in Coastal Communities

There are lessons to be learned from other communities about what happens when tourism impact increases.

A community soon to receive more cruiseship traffic (Wrangell perhaps) can look at Skagway or Sitka today. It will learn what type of commercial development will occur and employment which may result. It can see the public facilities used, the demands on local government services and any social or cultural changes.

A community planning for increased recreational vehicle traffic can look at Homer today and identify the effects of rapid growth and heavy traffic of this type. Seward is an example of better control of vehicles by use of a public facility (the large parking area at the boat harbor). Cordova would experience this kind of impact were a Copper River Highway completed.

A village preparing for future ferry service, (perhaps Angoon) can view Hoonah, Kake and Metlakatla and see exactly what happens when tourists have access to a similar village.

A town anticipating traumatic industrial development likely to affect its tourism resources (Yakutat for example) can look to the North Kenai area and Tyonek in the late 1960's and present day Valdez. These examples will show how other coastal development affects resources essential to tourism.

Bethel, undeveloped from a tourism standpoint, can check

out Kotzebue, Nome and Barrow today to evaluate the effects of years of package tourist traffic.

Parts of this study could be useful to local planners as they look ahead to their community's development. Information on 145 coastal communities can be used to see what effects exist in other communities. The Business License Analysis and tourism Activity Rating tables are recommended as useful to community planners.

The Effect of Tourism on the Coastal Zone

Part I dealt with the role of the coastal zone in Alaska tourism. Both tourism activities and their economic effects occur to a great extent in the coastal zone. The use of the coastal zone environment for sightseeing, cruising, camping, photography, fishing, hunting, hiking and so forth, creates the economic effect of tourism on the local economies of the coastal zone.

The remainder of this study deals with the other side of the coin. Granted the coastal zone is important to tourism, but is tourism important to the coastal zone? We attempt to answer this question in terms of economic effects on coastal communities.

I have gathered, analyzed and portrayed information which gives an indication of the role of tourism in the local economies of each of the 145 coastal zone communities.

PART II

ECONOMIC EFFECTS OF TOURISM:
THREE METHODS OF ANALYSIS

PART II

ECONOMIC EFFECTS OF TOURISM: THREE METHODS OF ANALYSIS

Introduction

In the absence of existing economic information three methods were employed to provide some measure of the economic effects of tourism in the communities and regions of Alaska's Coastal Zone. These three methods are:

1. A Tourism Economic Impact Survey of Communities in the Coastal Zone (p. 37);
2. A Business License Analysis (p. 62); and
3. An Analysis of Selected Tourism-Related Activities (p. 79).

Here is a brief explanation of how each method was performed and the information which resulted.

1. Tourism Economic Impact (Effect) Survey of Communities in the Coastal Zone was a mail survey consisting of a two-page, 8-question questionnaire and a cover letter. This was mailed to 117 coastal communities and returned by 57 of them. The responding communities represented 88% of the total coastal population.

Information resulting from the survey included: the effect of tourism in each local economy and its standing in relation to other local industry; the kinds of tourists visiting each community and their approximate impact and the types of local businesses most affected by tourism.

2. Business License Analysis was conducted by counting the number of tourist-oriented businesses in each community and comparing these to the total number of businesses. By using the 1974 Alaska Business License Directory, a 795-page source document, we studied 12 Standard Industrial Classifications such as air transportation and hotels/motels for each of 145 communities.

The resulting information showed which communities had the economic ability to handle tourism, approximately how much tourism is experienced in each community compared to others, and approximately how important tourism is to each local economy.

3. Analysis of Selected Tourism-Related Activities uses data from activities of cruiseship travel, ferry travel, fishing, hunting, package touring and camping to study the location, volume and value of different types of tourism. Based on this information, each activity is then assigned a value of 0, 1, 2 or 3 for its estimated effect on each community's economy. The effects of local touring, recreational vehicle travel, independent touring, winter touring, skiing, miscellaneous, outdoor activities and yachting were also estimated. However, no data was available and ratings assigned are from general knowledge.

The information which results from this tells us which tourism activities exist in each community and approximately what degree of economic effect each activity has. It also provides in-depth information on several of the more prominent tourism activities.

The purpose of Part II is to locate tourism economic effects and say something about the magnitude of them. This is not an attempt to identify and measure specific effects such as total tourist spending or grocery and hotel income from tourists. This can only be done with information on Alaska tourism which does not now exist.

TOURISM ECONOMIC IMPACT (EFFECT) SURVEY

ALASKA COASTAL COMMUNITIES

TOURISM ECONOMIC IMPACT (EFFECT) SURVEY

ALASKA COASTAL COMMUNITIES

Methodology

In late August 1975, 117 communities and boroughs were mailed the tourism economic impact survey questionnaire with cover letters (see sample page 44). Persons receiving the questionnaires were the heads of local government such as city managers, borough chairmen, mayors and village council leaders. Fifty-seven completed responses were returned, a return rate of 49%. Fifty-five were analyzed in this section as two were received too late for inclusion. Every community with a population of over 1,000 replied except two and the population represented by the responses comprises 88% of the total residing in Alaska's coastal zone. The response was well distributed regionally among the seven regions used for this study.

The survey had three objectives:

1. To establish the occurrence of tourism activity in specific coastal communities.
2. To establish the type of tourism which occurs in these communities.
3. To establish some relative measure of the economic importance of tourism in these specific coastal areas.

The size or magnitude of an economic influence is significant in its relation to other influences. This survey attempts a

rudimentary measure of the economic impact (effect) of tourism relative to each local economy and in relation to other economic influences in each local economy.

Bias of respondents was expected in the replies because we were asking residents of communities how important or unimportant they feel tourism is in their community. In other words, the answers are what they think tourism is in their area. To test for respondents possible bias we rated each community with our own estimate of tourism impact in that community prior to receiving any returns. We based our ratings on a variety of factual data sources such as ferry and cruise traffic, package tour itineraries, fishing and hunting statistics, employment data and personal knowledge of many locations.

Then as each return was received we compared our rating and theirs. There was surprising agreement, indicating minimal, if any bias. The 56 responses which rated tourism impact matched up with our ratings done prior to the survey as follows:

42 were the same as ours

14 differed by one step or degree

0 different by more than one degree

Of the 14 differences we rated 3 of them higher by one step and 11 lower by one step than did the communities. Four of the 11 were remote villages which we rated "none" and which the communities rated "slight" because of visitors from neighboring villages, a form of tourism we neglected to consider in rural Alaska. Four others were Southeast Alaska communities affected by cruiseships. We rated the impact lower than the communities

did because research indicated less economic impact from cruise traffic than we had first assumed.

On the questionnaire question 1 simply asked community name and question 2 asked estimated population.

Question 3a, band C were the most important questions. We attempted to help the respondent view tourism in the total scheme of things and in its position relative to other economic influences. We feel the close correlation of our ratings and the communities' rating on question 3C was due to the fact we succeeded in creating a realistic perspective.

Question 4 is used to lend some direction to more detailed research. The State could use information of this type to concern itself with non-resident tourism in terms of development policy. This question reflected reality in general when compared to actual data such as campground occupancy. For example, tourism in Nome is almost exclusively non-resident whereas tourism in Homer is about 80% resident from Anchorage. Communities' answers confirmed those known facts.

Question 5 was used to identify the occurrence of types of tourism in each local area and their relative intensities. It gave us a lead as to what type of data to research and what economic sectors are likely to be affected. Question 4 and 5 are not tabulated.

Question 6 was used as a guide to our analysis of business license data, SIC analysis of gross receipts and sector analysis of labor areas. It also is helpful to understand how local residents see the economic effect of tourism activity.

Question 7 sought local input and opinion and may be useful for detecting community attitudes in some cases.

There are two points about the community survey which should be kept in mind when reading the results. First, the definition of tourism used in the cover letter was the broadest one possible. This was done to include any form of tourism which may occur in the more remote areas. Thus, any tourism at all shows up in the results, even visits from neighboring villagers.

Second, in the tabulations each community counts one regardless of population so averaging is inappropriate. For example, if the economic impact on Anchorage is "heavy" and on Tyonek "none" the average for the region is certainly not "moderate."

Instead, consider the ratings as an assessment of tourism impact in each local area.

Finally, the words "impact" and "effect" (or effects) are used interchangeably in this section.

The region distribution of communities responding was as follows:

REGION	RESPONSES
Southeast	11
Gulf Coast	5
Cook Inlet	7
Kodiak	4
Bristol Bay, Alaska Peninsula, Aleutian Islands	10
Yukon-Kuskokwim Delta	10
Arctic	8
TOTAL	55

The size of the communities responding were distributed as follows:

Population	Responses
0- 250	19
251- 500	12
501- 1,000	2
1,001- 5,000	14
5,001-10,000	2
10,001-25,000	2
Over 25,000	1
Total	52*

*Haines, Kodiak and Anchorage are duplicated in population as both cities and boroughs responded. Only the cities are included in this population distribution, thus responses total 52 rather than 55.

MAJOR FINDINGS

Economic Impact (Effects) of Tourism tend to be concentrated in the larger communities.

The majority of communities in the coastal zone experience slight or no economic impact from tourism.

The majority of coastal residents live in communities which experience moderate, significant, heavy or dominant tourism economic impact.

Twenty-three communities ranked tourism among their top four industries and 32 communities did not. Two ranked it as their #1 industry.

Hotels/motels, eating and drinking places, gift and craft shops and local transportation businesses accounted for 60% of the businesses mentioned as most affected by tourism.

Economic Impact (Effects) by region, are (in order of most to least impact) Cook Inlet, Southeastern, Gulf Coast, Arctic Coast, Kodiak, the Bristol Bay, Alaska Peninsula and Aleutian Islands region and the Yukon-Kuskokwim Delta.

Some communities look favorably on tourism development and some definitely do not.

SAMPLE COVER LETTER

TOURISM ECONOMIC IMPACT SURVEY

529 GOLD STREET #4

JUNEAU, ALASKA 99801

586-6126

August 22, 1975

Dear Sir:

We are asking for a few minutes of your time, now, to help estimate the economic impact of tourism in your coastal community. Please answer the 8 questions (4 are quite easy) on the enclosed questionnaire and drop it in the mail in the stamped, self-addressed envelope.

We are working on a research project for the State of Alaska, Water Programs Division, and our job is to estimate the economic impact of tourism on each coastal community in Alaska. An important part of this project is the information you can provide on the enclosed tourism economic impact questionnaire.

Later on, this and other information will be used in state planning for Alaska's coastal areas and your own coastal area.

The questionnaire is short and should take 5 to 10 minutes to complete. Please fill it out using your best judgement as an official and resident of your community.

Tourism includes both Alaskans and out-of-state visitors who do not live in your local area but who come there for touring, fishing, hunting, cruising, chartering boats, attending events or conventions, visiting friends and relatives, camping, combining business and pleasure or doing other recreational and pleasure activities.

Thank you for your assistance as we need the judgement of community residents in order to realistically assess tourism economic impact.

Cordially,

Eric McDowell

D. Eric McDowell
Project Head

DEM/ce
Enclosure

P.S. Even if your community receives little or no impact from tourism or if you cannot answer all the questions it is very important that you return the questionnaire.

sample

TOURISM ECONOMIC IMPACT SURVEY
ALASKA COASTAL COMMUNITIES
AUGUST 1975

1. Your community: _____

2. What is the current estimated population of your local area (approximate)?

/__/	0 - 500	/__/	5,000 - 10,000
/__/	501 - 1,500	/__/	10,000 - 20,000
/__/	1,501 - 2,500	/__/	20,000 - 100,000
/__/	2,501 - 5,000	/__/	Over 100,000

3a. Please rank your area's top four industries in order of their economic impact. (Write number 1 in the blank by the industry with the most economic impact, number 2 by the industry with the second greatest economic impact, and so on.)

Rank	Industry in your local area
_____	Commercial fishing and fish processing
_____	Lumber, logging and pulp
_____	Petroleum
_____	Tourism (includes both Alaskan and out-of-state tourists)
_____	Agriculture
_____	State government
_____	Federal government including military
_____	Construction
_____	Transportation
_____	Subsistence hunting and fishing
_____	Other _____ (Specify)

3b. To what extent would you say your #1 industry affects the economy of your area? (Check one)

/__/ Not at all
/__/ Slightly
/__/ Moderately
/__/ Significantly
/__/ Heavily
/__/ Dominates economy

3c. To what extent would you say tourism affects the economy of your area?

/__/ Not at all
/__/ Slightly
/__/ Moderately
/__/ Significantly
/__/ Heavily
/__/ Dominates economy

4. What percent of all tourists to your area would you estimate are from out-of-state?

/__/	0 - 20%	/__/	61 - 80%
/__/	21 - 40	/__/	81 - 100
/__/	41 - 60	/__/	Don't Know

5. What economic impact do each of these types of tourists have on your local area?

No Economic Impact	Slight to Moderate Economic Impact	Moderate to Heavy Economic Impact	Type of tourist
_____	_____	_____	Organized tour tourists
_____	_____	_____	Cruiseship tourists
_____	_____	_____	Tourists arriving by ferry
_____	_____	_____	Camper and trailer tourists
_____	_____	_____	Passenger car tourists
_____	_____	_____	Sport fishermen
_____	_____	_____	Big game hunters
_____	_____	_____	Charter fishermen
_____	_____	_____	Sightseeing tourists
_____	_____	_____	People combining business and pleasure
_____	_____	_____	People visiting friends and relatives
_____	_____	_____	Hikers, climbers, canoers
_____	_____	_____	Airline tourists not on organized tour
_____	_____	_____	Foreign tourists
_____	_____	_____	Other _____ (Specify)

6. What types of businesses seem most affected by tourism in your local area? (Name as many or as few as you wish.)

_____ _____
_____ _____
_____ _____
_____ _____

7. Please add any comments you may have about the economic impact of tourism in your community and local trade area._____

_____

_____

_____

_____

_____

8. Place questionnaire in enclosed envelope and mail by Friday, September 5. Thank you for your help.

DETAILED RESULTS

OF THE

TOURISM ECONOMIC IMPACT (EFFECT) SURVEY

OF ALASKA COASTAL COMMUNITIES

Questions 1 and 2:

NAME AND POPULATIONS OF COASTAL COMMUNITIES
RESPONDING TO TOURISM SURVEY

Place	Population[1]	
SOUTHEASTERN REGION		
Craig	467	
Ketchikan	7,468	
Wrangell	2,787	
Petersburg	2,386	
Sitka	6,700	
Port Alexander	36	
Pelican	169	
Haines	1,980	
Haines Borough	1,980	
Skagway	710	
Juneau	17,356	
Sub Total		40,059
GULF COAST		
Yakutat	227	
Cordova	2,114	
Valdez	2,271	
Whittier	186	
Seward	1,823	
Sub Total		6,621
COOK INLET		
Kenai Peninsula Borough	16,254	
Port Graham	107	
Homer	1,243	
Kenai	4,028	
Girdwood	210	
Anchorage	78,929	
Anchorage Borough	154,434	
Sub Total		170,688
KODIAK		
Kodiak Island Borough	6,627	
Kodiak	3,923	
Larsen Bay	109	
Akhiok	102	
Sub Total		6,627

BRISTOL BAY, ALASKA PENINSULA & ALEUTIAN ISLANDS		
Dillingham	1,025	
Clark's Point	62	
Manokotak	230	
Togiak	383	
Ivanoff Bay	48	
Sand Point	474	
King Cove	338	
Akutan	101	
Atka	88	
St. Paul	488	
Sub Total		3,237
YUKON-KUSKOKWIM DELTA		
Quinhagak	340	
Kongiganak	190	
Tuntutuliak	158	
Napakiak	279	
Bethel	2,921	
Chefornak	182	
Newtok	114	
Alakanuk	495	
Emmonak	502	
Napaskiak	200	
Sub Total		5,381
ARCTIC		
Savoonga	380	
Nome	2,488	
Diomede	90	
Shishmaref	309	
Selawik	429	
Kotzebue	2,125	
Kivalina	200	
Barrow	2,307	
Sub Total		8,328
--Total Population Represented in Survey		240,941
--Alaska Population 7-1-74		351,159
--Noncoastal Population		76,615 (min.est.)
--Coastal Population		274,544
--Population in Survey		240,941
--% of Coastal Population in Survey		87.8%

1. Source: Current Population Estimates by Census Division, Department of Labor, July 1, 1974 and Alaska 1970 Census Atlas, Population by Enumeration Districts, Department of Labor and U.S. Bureau of Census.

Questions 3C and 2:

DISTRIBUTION OF ECONOMIC IMPACT

Significant differences in degree of economic impact were found, both among regions and by size of community within regions.

In order of degree of impact, most to least, are the Cook Inlet region, Southeast region, Gulf Coast region, Arctic region, Kodiak region, the Bristol Bay, Alaska Peninsula and Aleutian Islands region and finally the Yukon-Kuskokwim Delta region.

Tourism economic impact judged significant, heavy or dominant occurred largely in Southeast Alaska (Ketchikan, Sitka, Juneau, Haines and Skagway) and in the Cook Inlet region (Anchorage City, Girdwood and Homer). Valdez and Barrow also rated tourism economic impact as significant.

At the other end of the scale the Yukon-Kuskokwim Delta was literally devoid of tourists and tourist activities. Seven of ten communities had no impact and three of ten slight impact. And in these three instances, visits from friends and relatives from nearby villages were the only "tourism" activity.

Nearly as devoid of economic impact was the Bristol Bay, Alaska Peninsula and Aleutian Island region, but this needs to be clarified. A considerable amount of guided big game hunting and summer sport fishing occurs in this region. However, these activities appear to have only slight impact on the local economies. Hunting and fishing activity is supplied from

Anchorage and is conducted in remote camps and lodges operated only for summer or hunting seasons.

Arctic Alaska's two other major communities of Nome and Kotzebue have moderate economic impact from tourism but there is almost no impact in Arctic Alaska outside the three major cities.

Kodiak receives some hunting, fishing and regular tourist traffic but overall tourism impact is moderate at best.

The Gulf Coast's communities (Yakutat, Whittier, Seward) are moderately impacted with Valdez significant and Cordova reporting slight economic impact.

Remember, this is a measure of the economic significance of tourism in relation to the total economy of the community. For example, tourism activity must be considerable to be rated significant on the Kenai Peninsula where a great deal of oil, gas, timber and fishing activity occurs. On the other hand, tourism activity must be absolutely negligible if it is rated as having no economic impact by Tuntutuliak where subsistence activity is the only major influence in a village of 158 persons.

Tourism economic effects appear to occur predominantly in Alaska's larger coastal communities and tend to be less significant in places of less than 1,000 population.

Of 33 communities with a population under 1,000 only four, or 12 percent stated that tourism impact was moderate or greater in their local economy. Of 22 communities with populations over 1,000 persons, 17 or 77 percent said that

Question 3C:

HOW ALASKA'S COMMUNITIES RATED THE ECONOMIC IMPACT (EFFECT) OF TOURISM ON THEIR LOCAL ECONOMY

SOUTHEAST ALASKA

No Impact	0	
Slight	4	Craig, Petersburg, Port Alexander, Pelican
Moderate	1	Wrangell
*Significant	4	Ketchikan, Sitka, Juneau, Haines
Heavy	2	Haines Borough, Skagway
Dominates Economy	0	
	11	

GULF COAST

No Impact	0	
Slight	1	Cordova
*Moderate	3	Seward, Yakutat, Whittier
Significant	1	Valdez
Heavy	0	
Dominates Economy	0	
	5	

COOK INLET (Anchorage and West Kenai Peninsula)

No Impact	0	
Slight	2	Port Graham, Kenai
Moderate	1	Greater Anchorage Area Borough
*Significant	1	Kenai Peninsula Borough
Heavy	2	Homer, Anchorage
Dominates Economy	1	
	7	

KODIAK

No Impact	2	Larsen Bay, Akhiok
*Slight	0	
Moderate	2	Kodiak Island Borough, Kodiak
Significant	0	
Heavy	0	
Dominates Economy	0	
	4	

BRISTOL BAY, ALASKA PENINSULA AND ALEUTIAN ISLANDS

No Impact	5	Manakotak, Ivanoff Bay, King Cove, Akutan, Atka
*Slight	5	Dillingham, Clark's Point, Togiak, Sand Point, St. Paul
Moderate	0	
Significant	0	
Heavy	0	
Dominates Economy	0	
	10	

tourism had at least moderate economic impact on their area. All communities over 5,000 population rated tourism impact moderate or greater.

YUKON-KUSKOKWIM DELTA

*No Impact	6	Napaskiak, Quinhagak, Kongiganak, Chefornak, Napakiak, Bethel
Slight	4	Tuntutuliak, Newtok, Alakanuk, Emmonak
Moderate	0	
Significant	0	
Heavy	0	
Dominates Economy	0	
	10	

ARCTIC

No Impact	3	Savoonga, Selawik, Kivalina
*Slight	2	Diomede, Shishmaref
Moderate	2	Nome, Kotzebue
Significant	1	Barrow
Heavy	0	
Dominates Economy	0	
	8	

ALASKA COASTAL ZONE TOTAL, ALL REGIONS

No Impact	16
Slight	18
*Moderate	9
Significant	7
Heavy	4
Dominates Economy	1
	55

COMMUNITY RATING SUMMARY

No Impact	(16)	Larsen Bay, Akhiok, Manakotak, Ivanoff Bay, King Cove, Akutan, Atka, Quinhagak, Kongiganak, Chefornak, Napakiak, Napaskiak, Bethel, Savoonga, Selawik, Kivalina
Slight	(18)	Craig, Petersburg, Port Alexander, Pelican, Cordova, Port Graham, Kenai, Dillingham, Clark's Point, Togiak, Sand Point, St. Paul, Tuntutuliak, Newtok, Alakanuk, Emmonak, Diomede, Shishmaref
Moderate	(9)	Wrangell, Seward, Yakutat, Whittier, Greater Anchorage Area Borough, Kodiak Island Borough, Kodiak, Nome, Kotzebue
Significant	(7)	Ketchikan, Sitka, Juneau, Haines, Valdez, Kenai Peninsula Borough, Barrow
Heavy	(4)	Skagway, Homer, Anchorage, Haines Borough
Dominates Economy	(1)	Girdwood

*Regional ratings, assigned by author.
Note: These ratings are included in the tables in both the Business License Analysis and Analysis of Selected Tourism - Related Activities.

Question 3a:

IMPORTANCE OF SELECTED INDUSTRIES TO COASTAL ZONE COMMUNITIES

Industry	Ranking 1	2	3	4
Commercial Fishing and Fish Processing	24	7	4	1
Lumber, Logging and Pulp	5	4	1	1
Petroleum	3	0	0	0
Tourism	2	7	7	7
Agriculture	0	1	0	2
State Government	2	8	6	3
Federal Government Including Military	4	7	3	7
Construction	1	2	8	5
Subsistence Hunting and Fishing	10	10	0	1
Other	3	3	4	3

Of 55 communities and boroughs, 23 listed tourism as one of the top four economic influences in their area and 32 communities and boroughs did not rank tourism.

Tourism is the #1	industry	2
2	"	7
3	"	7
4	"	7
Tourism not ranked		32
		55

Communities ranking tourism as:

#1 (2) Girdwood, Whittier
#2 (7) Ketchikan, Haines Borough, Skagway, Homer, Clark's Point, Newtok, Barrow
#3 (7) Wrangell, Haines City, Valdez, Kenai, Akhiok, St. Paul, Nome
#4 (7) Sitka, Juneau, Cordova, Kenai Peninsula Borough, Anchorage City, Savoonga, Kotzebue

Communities not ranking tourism as one of their four top economic influences: Craig, Petersburg, Port Alexander, Yakutat Seward, Port Graham, Greater Anchorage Area Borough, Kodiak Island Borough, Kodiak, Larsen Bay, Dillingham, Manokotak,

Togiak, Ivanoff Bay, Sand Point, King Cove, Akutan, Atka, Quinhagak, Kongiganak, Tuntutuliak, Napakiak, Bethel, Chefornak, Alakanuk, Emmonak, Napaskiak, Diomede, Shishmaref, Selawik, Kivalina.

Question 5:

REGIONAL DISTRIBUTION OF SPECIFIC TOURISM ACTIVITIES

A summary of the impact of selected tourism activities reveals distinct differences among regions in the types of activities having economic impact.

Southeast Alaska, in comparison to other regions, shows high activity in cruiseship tourists, ferry tourists, organized tour tourists, and sport fishermen. The Arctic by contrast shows virtually no activity in sport fishing or cruiseships while recording high activity in organized tour tourists, a result of the package airline tours to Nome, Kotzebue and Barrow.

The only region to have a significant rating for airline tourists not on organized tours was Cook Inlet, Anchorage specifically. Foreign tourists including Japanese skiers also center activity in the Anchorage area.

Camper trailer and passenger car tourists figured predominantly in Southeast and Cook Inlet with some in the Gulf Coast. Of course, they were of no importance in the isolated regions (road systems are absent) of Kodiak; Bristol Bay, Alaska Peninsula and Aleutian Islands; Yukon-Kuskokwim Delta and the Arctic.

Big game hunters showed moderately in all regions except the Yukon-Kuskokwim where big game species are largely absent and the Arctic which no longer is a legal source of polar bear and walrus.

People combining business and pleasure showed at least moderately in all regions and in the case of the Yukon-Kuskokwim region were the only travelers remotely resembling tourists (except friends and relatives visiting from other villages). People combining business and pleasure were comparatively important in Kodiak and the Bristol Bay, Alaska Peninsula and Aleutian Island regions, probably due to the smaller volume of other types of tourists in these areas. This makes those combining business and pleasure relatively significant.

People visiting friends and relatives figured prominently in all regions and nearly all communities regardless of how remote they may be. This is verified by the travel surveys over the years showing tens of thousands (56,000 estimated in 1972) non-residents traveling for this purpose.

In many remote locations which rated slight, their major form of tourism was visits from friends and relatives, presumably from nearby villages.

Hikers, climbers and canoers had moderate showings in Southeast, the Gulf Coast and Cook Inlet regions and were largely absent from other regions.

Tabulation of results of question 6 from the questionnaire was difficult to present in mathematical form. Analysis of Activities in Part II of this provides greater detail on types of tourism and their economic impact.

Question 6;

WHAT TYPES OF BUSINESSES SEEM MOST AFFECTED BY TOURISM IN YOUR LOCAL AREA?

This question was open-ended and served two purposes. First, it gave us some general guidance for researching labor market area data and business license SIC categories. Secondly, the question shows where in the local economy the economic impact occurs as visualized by someone living in each community. In other words, it reflects perception of economic impact at the local level.

Hotels, motels, restaurants and gift shops accounted for 40 percent of all business mentioned (62 of 155).

TALLY OF TOURISM-AFFECTED BUSINESSES
COMMUNITY SURVEY

Hotels, Motels	21		
Restaurants	18		
Bars, Liquor	8		
Gift Shops	23	(shops 15, arts & crafts 8)	
Charter Boats	6		
Air Taxis	8		
Taxis	3		
Service Stations	6		
Grocery Stores	5		
General Stores	11		
Sporting Goods, Hardware	5		
Sub Total	114	73.5%	
All Others	41	26.5	
Total	155	100.0%	

These results give a good general picture of where the tourism economic effects are felt. Overnight facilities, eating and drinking places, gift and craft shops plus transportation associated businesses comprise 60% (93 of 155) of the total businesses mentioned.

Question 7:

COMMENTS BY COMMUNITIES CONCERNING
TOURISM IN THEIR LOCAL AREAS

Twenty-nine communities offered comments about tourism. A theme of several communities which had moderate or slight impact was that tourism was expected to increase in the future due to one or more factors such as better roads, more promotion, increased ferry service, State park development, more public awareness of tourism, better hotels, etc.

Cordova: "There will never be any amount of tourism impact in this area until the Copper River Highway is completed."

Dillingham: Little at present, but is growing."

Manakotak: "There is no touring in this village."

Sand Point: "At present, tourism has only a slight impact on Sand Point. Estimated number of tourists in all categories would be 50-80 per year.

St. Paul Island: "The very slight economic impact of tourism probably due to below average hotel rates and lack of big variety or availability of arts and crafts."

Yakutat: "Tourism must be developed as a viable and attractive industry through both local and State assistance."

Kodiak: "Believe tourism could be developed dependent upon developing facilities and upon the State developing Fort Abeacromdie State Park (Historical Site).

Communities having large amounts of tourism generally assessed it as so:

Juneau: "Tourism is a growing economic force...."

Haines: "We fully expect tourism to become an increasingly more important part of our economic base."

Several communities showed a more reflective position on tourism development.

Port Graham: "There is yet a question of whether tourism is really wanted. Should the community want tourism in this area, preplanning and control of it undoubtedly will be emphasized."

Craig: "Most residents are reluctant to see the tourist industry develop, also there really is no tourist related industry in the area."

Scammon Bay: "There was only one group visited the community as tourists, they didn't make appointment with city official before arriving here, the tourism is not accepted."

The single conclusion here is that some communities desire tourism while others do not or would accept it only with sufficient planning. This is important for coastal zone management as it affects each individual community.

BUSINESS LICENSE ANALYSIS

BUSINESS LICENSE ANALYSIS

The business license analysis tells us where tourism-affected businesses are located and how many are in each local economy. This information has two important meanings: First, it locates the places where tourism-type economic effects occur and give us an idea of their magnitude in each place. Second, the analysis indicates each community's economic ability to service tourism and derive economic effects from it.

We counted the number of businesses in 12 SIC 2-digit categories which appeared to be directly affected by tourism. Standard Industrial Classifications (SIC) are numbered up to 4-digits. A 2-digit code is a general category such as: 45- "air transportation." This total was then compared to the total business licenses for each community.

Here is an example of how this works. Homer had 265 business licenses in 1974 and Kenai had 440, a considerable difference. Yet, our business license analysis showed that the two communities had an equal number of businesses affected by tourism, 63 each. This is a relative measure of tourism's economic role in each community. According to the analysis, Homer's economy is much more reliant on tourism than is Kenai's economy.

This conclusion is verified by the communities' own ratings (heavy for Homer, slight for Kenai). It is also confirmed by our knowledge of the Kenai and Homer economies where Kenai has more primary industry, especially oil and gas develop-

ment while Homer has some fishing and fish processing but not of the magnitude of Kenai's industry.

This relative measure of tourism impact reflects the essence of this entire economic impact study. It answers the question, "tourism is an economic influence compared to what?" We compare it to a community's total economy, compare it to other communities, and compare it to other economic influences.

The business license analysis was used instead of labor area employment analysis because business licenses are specific to single communities. Labor area data combines several communities into each of 24 labor areas, making the employment data too general for evaluating specific communities.

It should be emphasized that the business license analysis is not a completely accurate reflection of each economy but only an indicator which compares local economies. It confirms that places with considerable tourism are likely to have more of certain types of businesses than places with less tourism.

The best comparisons are of similar size communities in the same region such as Homer-Kenai, Seward-Cordova or Haines-Skagway.

Business license data do not fit well in the villages but the analysis does differentiate between villages with subsistence economies and those with developed economies.

For example, Togiak (population 383) had 18 businesses showing it has some economic ability for receiving tourism impact. Nearby Manokotak (population 214), on the other hand, had only four businesses demonstrating its reliance on non-cash

economic forces and lack of ability to absorb tourism's economic effects.

Neither village receives any tourism for all practical purposes but the point is, Togiak presently could benefit economically while Manokotak does not have the capability to benefit economically.

The Business License Analysis is most effective in middle-sized towns. In the larger economies (Juneau, Ketchikan, Anchorage) the proportion of tourism-affected businesses is less than in the smaller towns but yet the volume of economic impact is largest in these cities.

Let's compare Anchorage to Kenai for example. 14% of Kenai's businesses were affected compared to only 7% of Anchorage's. However, in volume Anchorage had 12 times as many affected businesses (737 vs. 63).

Another inaccurate factor in business license analysis is there is no allowance for the size of each business. One may be a part-time charter boat and another the Captain Cook Hotel. In business license analysis they each count equally.

Employment would be a better measure but employment has two drawbacks. Labor Area data is too general, preventing any analysis by specific community, as we mentioned earlier. Secondly, it excludes businesses which don't have employees. At the community level, a significant part of the economy can be businesses of a "mom and pop" nature which are not included in labor area data. In larger economies Labor Area data would probably include 95% of the economy.

In summary, the Business License Analysis shows the presence of businesses most likely to be impacted by tourism. Thus, we can see both where tourism economic impact already occurs and where it could occur. It also shows where tourism economic impact couldn't occur (villages mainly) due to absence of businesses and a cash economy.

Some locations which have little actual tourism do have a number of businesses which would be impacted. Kodiak for example receives very moderate (we noted slight) impact. Yet, the number of businesses in the tourism categories is nearly equal to that of Sitka which receives a larger number of tourists. In Kodiak, travel created by the large fishing industry caused the growth of restaurants and hotels and motels, which in turn are utilized by the limited tourist trade.

Business license analysis is an example of using existing information and analyzing it to say things about tourism as an economic influence.

The overall ratings of tourism economic effects in each community are included at the left side of the tables, the "x" designates the community's own rating from the community survey in this study and the "*" designates the author's rating based on all sources of information in this study.

List of Standard Industrial Classifications Used for Business License Analysis

SIC Code	Standard Industrial Classification (SIC)
Transportation	
40	Railroads
41	Local and interurban transportation (taxis, buses)
44	Water Transportation (includes charter boats)
45	Air Transportation (certificated and non-certificated carriers)
47	Transportation services (includes travel agencies)
Retail Trade	
55	Auto dealers and service stations
58	Eating and drinking places
59	Miscellaneous retail stores (includes gift, curio and specialty stores)
Services	
70	Hotels, motels and lodges
72	Personal services (barbers, beauty shops, laundry)
79	Amusement and recreational services (includes guides)
84	Museums, zoos, art galleries

Note: Only businesses which appeared to be affected or would potentially be affected by tourism were counted. Example: Air charter services (45) in Anchorage were counted. An air charter service in Emmonak was also counted. The Emmonak service may not have carried any tourists but it could have if there were tourists. Example: Water transportation (44) includes several types of businesses. Barge lines weren't counted. Charter boats were.

BUSINESS LICENSE ANALYSIS OF SELECTED TOURISM-AFFECTED SIC'S
ALASKA COASTAL ZONE COMMUNITIES

REGION LABOR AREA / Community	Zip	Overall Assessment of Tourism Economic Effect on Each Community's Economy: None	Slight	Moderate	Significant	Heavy	Dominant	Number of Potentially Tourist-affected Businesses: 40 Railroads	41 Local and Inter-urban Transp.	44 Water Transp.	45 Air Transp. (Scheduled)	45 Air Transp. (Unscheduled)	47 Transp. Svcs.	55 Auto Svc. Stns.	58 Eating & Drinking Places	59 Misc. Retail	70 Hotel, Motels, Ldgs.	72 Personal Services	79 Amusements/Recreations Services	84 Museums/Art Gal.	Subtotal	Total # Businesses in Community
SOUTHEAST REGION																						
Prince of Wales Labor Area																						
Craig	99921		X					0	1	1	0	0	0	0	2	2	2	1	0	0	9	32
Hydaburg	99922		X					0	0	0	0	0	0	0	1	0	0	0	0	0	1	4
Kasaan	9924	*						0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Klawock	99925	*						0	1	1	0	1	0	0	1	0	1	0	0	0	5	10
Pt. Baker	99927		*					0	0	0	0	0	0	0	0	0	1	0	0	0	1	4
Ketchikan Labor Area																						
Hyder	99923		*					0	1	2	0	0	0	0	1	3	2	0	0	0	9	12
Ketchikan	99901			*	X			0	3	20	1	9	2	10	33	14	5	11	0	1	109	913
Metlakatla	99920+26	*						0	0	3	0	1	0	1	2	1	1	1	0	1	11	25
Meyers Chuck	99903	*						0	0	0	0	0	0	0	0	1	0	0	0	0	1	2
Wrangell-Petersburg Labor Area																						
Kake	99830	*						0	1	1	0	0	0	1	1	2	1	0	0	0	7	17
Petersburg	99833		X					0	2	4	1	1	0	3	8	5	4	6	1	1	36	177
Wrangell	99929		*	X				0	1	4	1	2	0	3	8	3	2	1	0	1	26	160
Sitka Labor Area																						
Angoon	99820		*					0	0	0	1	0	0	1	0	1	0	0	0	0	3	15
Sitka	99835			*	X			0	2	10	1	3	2	5	14	8	2	7	0	3	57	372
Tenakee	99841			*				0	0	1	1	0	0	0	2	0	0	0	0	0	4	9
Pt. Alexander	99834	*	X																			

Legend:
X = Rating by communities from Survey.
* = Rating by author based on several sources.
Numbers in business license analysis are actual number of businesses counted in each classification.

BUSINESS LICENSE ANALYSIS OF SELECTED TOURISM-AFFECTED SIC's
ALASKA COASTAL ZONE COMMUNITIES

REGION LABOR AREA / Community	Zip	Overall Assessment Tourism Economic Effect on Each Community's Economy: None	Slight	Moderate	Significant	Heavy	Dominant	Number of Potentially Tourist-affected Businesses: 40 Railroads	41 Local and Inter-urban Transp.	44 Water Transp.	45 Air Transp. (Scheduled)	45 Air Transp. (Unscheduled)	47 Transp. Svcs.	55 Auto Svc. Stns.	58 Eating & Drinking Places	59 Misc. Retail	70 Hotel, Motels, Ldgs.	72 Personal Services	79 Amusements/Recreations Svcs.	84 Museums/Art Gal.	Subtotal	Total # Businesses in Community
Juneau Labor Area																						
Juneau	99801-2-11 21-24				X			0	5	15	2	5	3	10	35	21	7	13	2	3	121	1,434
Lynn Canal-Icy Straits Labor Area (Part)																						
Elfin Cove	99825	*						0	0	0	0	0	0	0	1	1	1	1	0	0	4	7
Gustavus	99826		*					0	1	0	2	1	0	0	0	0	1	0	0	0	5	7
Haines	99827				X	X		0	2	4	1	2	0	2	8	5	6	4	1	1	36	187
Hoonah	99828		*					0	0	3	1	0	0	0	2	0	1	0	0	0	7	23
Pelican	99832		X					0	0	2	1	0	0	1	5	1	0	3	0	0	13	15
Skagway	99840					X		1	4	10	1	1	1	3	7	4	5	3	1	2	43	87
GULF COAST REGION																						
Lynn Canal-Icy Straits Labor Area (Part)																						
Yakutat	99689			X				0	1	2	1	2	1	1	2	2	4	1	1	0	18	56
Cordova-McCarthy Labor Area																						
Cordova	99574		X					0	4	3	1	3	0	1	6	2	4	5	1	0	30	172
Valdez-Chitina-Whittier Labor Area																						
Tatitlek	99677	*						0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Valdez	99686				X			0	2	3	1	0	0	2	8	2	3	2	0	0	24	132
Whittier	99501			X				1	2	12	0	0	0	0	1	2	1	0	1 (combined with Anchorage)	1	19	NA
Seward Labor Area																						
Seward	99664			X	*			1	3	6	0	1	3	3	14	7	3	6	3	1	51	195

BUSINESS LICENSE ANALYSIS OF SELECTED TOURISM-AFFECTED SIC's
ALASKA COASTAL ZONE COMMUNITIES

REGION / LABOR AREA / Community	Zip	Overall Assessment Tourism Economic Effect on Each Community's Economy: None	Slight	Moderate	Significant	Heavy	Dominant	Number of Potentially Tourist-affected Businesses: 40 Railroads	41 Local and Inter-urban Transp.	44 Water Transp.	45 Air Transp. (Scheduled)	45 Air Transp. (Unscheduled)	47 Transp. Svcs.	55 Auto Svc. Stns.	58 Eating & Drinking Places	59 Misc. Retail	70 Hotel, Motels, Ldgs.	72 Personal Services	79 Amusements/Recreations Svcs.	84 Museums/Art Gal.	Subtotal	Total # Businesses in Community
ANCHORAGE-COOK INLET REGION																						
Anchorage Labor Area																						
Anchorage	99501-10			X		X		1	22	12	14	51	14	81	199	183	37	57	61	5	737	11,139
Girdwood	99587						X	1	1	0	0	1	0	1	3	0	3	3	1	0	14	35
Kenai-Cook Inlet Labor Area																						
Anchor Point	99556			*				0	1	1	0	0	0	1	1	3	2	1	0	0	10	51[1]
English Bay	99695		*					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0[1]
Homer	99603					X		0	2	4	2	4	2	3	12	15	11	6	2	1	63	265
Hope	99605			*				0	0	0	0	0	0	0	1	1	0	0	0	0	2	7
Kachemak			*					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Kasilof	99610			*				0	0	1	0	0	0	3	2	0	0	0	1	0	7	23
Kenai	99611		X	*		*		0	3	1	2	6	1	6	18	5	8	8	3	1	63	440
Ninilchik	99639					*		0	2	0	0	0	0	2	4	1	2	0	0	0	11	15[1]
Port Graham	99695		X					0	0	0	0	0	0	0	0	1	0	0	0	0	1	1[1]
Seldovia	99663		*					0	1	1	0	0	0	1	5	2	1	0	0	0	11	37
Soldotna	99669			*				0	2	0	0	1	0	5	13	8	9	6	1	0	36	321
Tyonek	99682		*					0	0	0	0	0	0	0	1	0	1	0	0	0	2	2

1. Includes English Bay, Port Graham, Belkofski, Ekuk, Port Heiden, Port Moller, Squaw Harbor, Adak, Atka, Attu, Cape Sarichef, Dutch Harbor, St. George
2. Inlcudes Kaguyak, Yuak, Shemya

NOTE: Individual counts from business license directory have been supplemented from other sources.

BUSINESS LICENSE ANALYSIS OF SELECTED TOURISM-AFFECTED SIC's
ALASKA COASTAL ZONE COMMUNITIES

REGION LABOR AREA / Community	Zip	Overall Assessment Tourism Economic Effect on Each Community's Economy: None	Slight	Moderate Moderate	Significant	Heavy	Dominant	Number of Potentially Tourist-affected Businesses: 40 Railroads	41 Local and Inter-urban Transp.	44 Water Transp.	45 Air Transp. (Scheduled)	45 Air Transp. (Unscheduled)	47 Transp. Svcs.	55 Auto Svc. Stns.	58 Eating & Drinking Places	59 Misc. Retail	70 Hotel, Motels, Ldgs.	72 Personal Services	79 Amusements/Recreations Svcs.	84 Museums/Art Gal.	Subtotal	Total # Businesses in Community
KODIAK REGION																						
Kodiak Labor Area																						
Akhiok	99615	X						0	0	0	0	0	0	0	0	0	0	0	0	0	0	NA[2]
Kaguyak	99697	*						0	0	0	0	0	0	0	0	0	0	0	0	0	0	0[2]
Karluk	99608	*						0	0	0	0	0	0	0	0	0	0	0	0	0	0	1
Kodiak	99615		*	X				0	10	2	2	3	0	3	14	14	3	6	4	1	60	418
Larsen Bay	99624	X						0	0	0	0	0	0	0	0	0	0	0	0	0	0	1
Old Harbor	99643	*						0	0	0	0	0	0	0	0	0	0	0	0	0	0	5
Quzinkie	99644	*						0	0	0	0	0	0	0	0	1	0	0	0	0	1	4
Port Lions	99550		*					0	0	1	0	0	0	1	1	2	0	0	0	0	5	9
Uyak	99697	*						0	0	0	0	0	0	0	0	0	0	0	0	0	0	0[2]
BRISTOL BAY-ALASKA PENINSULA REGION																						
Bristol Bay Labor Area																						
Belkofski	99695	*						0	0	0	0	0	0	0	0	0	0	0	0	0	0	10[1]
Chignik & Chignik Lagoon	99574-5		*					0	0	0	0	0	0	0	0	0	0	0	1	0	1	5
Clarks Point	99569	*	X					0	0	0	0	0	0	0	0	0	0	0	1	0	1	3
Cold Bay	99571		*					0	0	0	1	0	0	0	0	0	0	0	0	0	1	6
Dillingham	99576		X					0	4	0	1	5	0	1	3	7	4	0	0	0	25	79
Egegik	99578	*						0	0	0	0	0	0	0	0	0	0	1	0	1	3	

BUSINESS LICENSE ANALYSIS OF SELECTED TOURISM-AFFECTED SIC's
ALASKA COASTAL ZONE COMMUNITIES

REGION LABOR AREA / Community	Zip	Overall Assessment Tourism Economic Effect on Each Community's Economy						Number of Potentially Tourist-affected Businesses													
		None	Slight	Moderate	Significant	Heavy	Dominant	40 Railroads	41 Local and Inter-urban Transp.	44 Water Transp.	45 Air Transp. (Scheduled)	45 Air Transp. (Unscheduled)	47 Transp. Svcs.	55 Auto Svc. Stns.	58 Eating & Drinking Places	59 Misc. Retail	70 Hotel, Motels, Ldgs.	72 Personal Services	79 Amusements/Recreations Svcs.	84 Museums/Art Gal.	Subtotal	Total # Businesses in Community
BRISTOL BAY-ALASKA PENINSULA REGION																						
Bristol Bay Labor Area																						
Ekuk	99695	*						0	0	0	0	0	0	0	0	0	0	0	0	0	0	10[1]
Ivanoff Bay	99502	X						0	0	0	0	0	0	0	0	0	0	0	0	0	0	NA
King Cove	99612	X						0	0	0	0	0	0	0	1	1	0	0	0	0	2	4
King Salmon	99613			*				0	0	2	1	2	0	1	0	2	4	0	1	0	13	34
Levelock	99625	*						0	0	0	0	0	0	0	0	0	1	0	0	0	1	2
Manokotak	99628	X						0	0	0	0	0	0	0	0	1	0	0	0	0	1	4
Naknek	99633 & 70		*					0	1	0	0	2	0	1	4	2	5	0	0	0	15	35
Nelson Lagoon		*						0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Perryville	99648	*						0	0	0	0	0	0	0	0	0	0	0	0	0	0	1
Pilot Point	99649	*						0	0	0	0	2	0	0	0	1	2	0	0	0	5	7
Port Heiden	99695		*					0	0	0	0	0	0	0	0	0	1	0	0	0	1	10[1]
Port Moller	99695	*						0	0	0	0	0	0	0	0	0	1	0	0	0	1	10[1]
Sand Point	99661		X					0	0	0	0	1	0	0	1	4	1	0	0	0	7	16
Squaw Harbor	99695	*						0	0	0	0	0	0	0	0	0	0	0	0	0	0	10
Tokiak	99678		X					0	0	0	0	0	0	0	0	2	0	0	0	0	2	18
Twin Hills		*						0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Ugashik	99683	*						0	0	0	0	0	0	0	0	0	0	0	0	0	0	1
Unga		*						0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

BUSINESS LICENSE ANALYSIS OF SELECTED TOURISM-AFFECTED SIC's
ALASKA COASTAL ZONE COMMUNITIES

REGION / LABOR AREA / Community	Zip	Overall Assessment Tourism Economic Effect on Each Community's Economy: None	Slight	Moderate	Significant	Heavy	Dominant	Number of Potentially Tourist-affected Businesses: 40 Railroads	41 Local and Inter-urban Transp.	44 Water Transp.	45 Air Transp. (Scheduled)	45 Air Transp. (Unscheduled)	47 Transp. Svcs.	55 Auto Svc. Stns.	58 Eating & Drinking Places	59 Misc. Retail	70 Hotel, Motels, Ldgs.	72 Personal Services	79 Amusements/Recreations Svcs.	84 Museums/Art Gal.	Subtotal	Total # Businesses in Community
ALEUTIAN ISLANDS REGION																						
Aleutian Island Labor Area																						
Adak	99791 or 99695	*						0	0	0	1	0	0	0	0	1	0	0	0	0	2 (4 unknown)	10[1]
Akutan	99553	X						0	0	0	0	0	0	0	0	0	1	0	0	0	1	2
Atka	99695	X						0	0	0	0	0	0	0	0	0	0	0	0	0	0	10[1]
Attu	99695	*						0	0	0	0	0	0	0	0	0	0	0	0	0	0	10[1]
Biorka		*						0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cape Sarichef	99695	*						0	0	0	0	0	0	0	0	0	0	0	0	0	0	10[1]
Clam Lagoon		*						0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Dutch Harbor	99695	*						0	1	0	1	0	0	0	0	1	0	0	0	0	3	10[1]
False Pass	99583	*						0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Fort Glenn		*						0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Mt. Moffet		*						0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Nikolski	99638	*						0	0	0	0	0	0	0	0	0	0	0	0	0	0	1
Pavloff Harbor	99646	*						0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
St. George	99695		*					0	0	0	0	0	0	0	0	0	0	0	0	0	0	10[1]
St. Paul	99660		X	*				0	1	0	1	0	0	0	1	2	1	0	1	0	7	6[2]
Shemya	99697	*						0	0	0	0	0	0	0	0	0	0	0	0	0	0	2
Unalaska	99685	*						0	0	0	1	0	0	0	1	1	1	0	0	0	3	16

BUSINESS LICENSE ANALYSIS OF SELECTED TOURISM-AFFECTED SIC's
ALASKA COASTAL ZONE COMMUNITIES

REGION LABOR AREA / Community	Zip	Overall Assessment of Tourism Economic Effect on Each Community's Economy						Number of Potentially Tourist-affected Businesses													
		None	Slight	Moderate	Significant	Heavy	Dominant	40 Railroads	41 Local and Inter-urban Transp.	44 Water Transp.	45 Air Transp. (Scheduled)	45 Air Transp. (Unscheduled)	47 Transp. Svcs.	55 Auto Svc. Stns.	58 Eating & Drinking Places	59 Misc. Retail	70 Hotel, Motels, Ldgs.	72 Personal Services	79 Amusements/Recreations Svcs.	84 Museums/Art Gal.	Subtotal	Total # Businesses in Community
YUKON-KUSKOKWIM DELTA REGION																					
Bethel Labor Area																					
Bethel	99559	X						0	8	1	1	4	0	2	5	5	2	4	1	0	33	122[3]
Chefornak	99561	X						0	0	0	1	0	0	0	0	2	0	0	0	0	3	6
Eek	99578	*						0	0	0	1	0	0	0	0	0	0	0	0	0	1	3
Goodnews Bay	99589	*						0	0	0	1	0	0	0	0	2	0	0	0	0	3	7
Kipnuk	99614	*						0	0	0	1	0	0	0	0	1	0	0	0	0	2	10
Kongiganak	99559	X						0	0	0	1	0	0	0	0	0	0	0	0	0	1	122[3]
Kwigillingok	99622	*						0	0	0	1	0	0	0	0	1	0	0	0	0	2	4
Mekoryuk	99630		*					0	0	0	1	0	0	0	0	1	0	0	1	0	3	8
Napakiak	99634	X						0	0	0	1	0	0	0	0	0	0	0	0	0	1	4
Napaskiak	99559	X						0	0	0	1	0	0	0	0	0	0	0	0	0	1	122[3]
Newtok	99559	*	X					0	0	0	1	0	0	0	0	0	0	0	0	0	1	122[3]
Nightmute	99690	*						0	0	0	0	0	0	0	0	1	0	0	0	0	1	3
Oscarville	99559	*						0	0	0	0	0	0	0	0	0	0	0	0	0	0	122[3]
Platinum	99651	*						0	0	0	1	0	0	0	0	0	0	0	0	0	1	2
Quinhagak	99655	X						0	0	1	0	0	0	0	1	0	0	0	0	0	2	10
Toksook Bay	99637	*						0	0	0	1	0	0	0	0	2	1	0	3	0	7	15
Tuntutuliak	99680	X						0	0	0	1	0	0	0	0	1	0	0	0	0	2	3
Tununak	99681	*						0	0	0	1	0	0	0	0	1	0	0	1	0	3	10

3. Includes: Bethel, Kongiganak, Napaskiak, Newtok, Oscarville.

BUSINESS LICENSE ANALYSIS OF SELECTED TOURISM-AFFECTED SIC's
ALASKA COASTAL ZONE COMMUNITIES

REGION / LABOR AREA / Community	Zip	Overall Assessment of Tourism Economic Effect on Each Community's Economy: None	Slight	Moderate	Significant	Heavy	Dominant	Number of Potentially Tourist-affected Businesses: 40 Railroads	41 Local and Inter-urban Transp.	44 Water Transp.	45 Air Transp. (Scheduled)	45 Air Transp. (Unscheduled)	47 Transp. Svcs.	55 Auto Svc. Stns.	58 Eating & Drinking Places	59 Misc. Retail	70 Hotel, Motels, Ldgs.	72 Personal Services	79 Amusements/Recreations Svcs.	84 Museums/Art Gal.	Subtotal	Total # Businesses in Community
ALEUTIAN ISLANDS REGION																						
Wade-Hampton Labor Area																						
Alakanuk	99554	*	X					0	0	0	1	0	0	0	1	1	0	0	0	0	3	7
Chevak	99563	*						0	0	0	1	0	0	0	0	0	0	0	1	0	2	2
Emmonak	99581		X					0	0	0	1	1	0	0	0	0	0	0	0	0	2	7
Hooper Bay	99604	*						0	0	0	1	1	0	0	3	2	0	0	0	0	7	12
Kotlik	99620	*						0	0	0	1	0	0	0	0	0	0	0	2	0	3	5
Scammon Bay	99662	*						0	0	0	1	0	0	0	0	1	0	0	1	0	3	10
Sheldon Point	99666	*						0	0	0	1	0	0	0	0	0	0	0	0	0	1	0
SEWARD PENINSULA AND KOBUK REGION																						
Nome Labor Area																						
Brevig Mission	99785	*						0	0	0	1	0	0	0	0	0	0	0	0	0	1	2
Diomede (Inalik)	99762	X						0	0	0	0	0	0	0	0	0	0	0	0	0	0	185[4]
Elim	99739	*						0	0	0	1	0	0	0	0	1	0	0	0	0	2	2
Gambell	99742	*						0	0	0	1	0	0	1	1	1	0	0	0	0	4	6
Golovin	99762	*						0	0	0	1	0	0	0	0	0	0	0	0	0	1	185[4]
Koyuk	99753	*						0	0	0	1	0	0	0	0	1	0	0	0	0	2	4

4. Includes: Diomede, Golovin, Nome.
NOTE: Individual counts from business license directory have been supplemented from other sources.

BUSINESS LICENSE ANALYSIS OF SELECTED TOURISM-AFFECTED SIC's
ALASKA COASTAL ZONE COMMUNITIES

REGION LABOR AREA / Community	Zip	Overall Assessment of Tourism Economic Effect on Each Community's Economy						Number of Potentially Tourist-affected Businesses														Total # Businesses in Community
		None	Slight	Moderate	Significant	Heavy	Dominant	40 Railroads	41 Local and Inter-urban Transp.	44 Water Transp.	45 Air Transp. (Scheduled)	45 Air Transp. (Unscheduled)	47 Transp. Svcs.	55 Auto Svc. Stns.	58 Eating & Drinking Places	59 Misc. Retail	70 Hotel, Motels, Lodgs.	72 Personal Services	79 Amusements/Recreations Svcs.	84 Museums/Art Gal.	Subtotal	
SEWARD PENINSULA AND KOBUK REGION																						
Nome Labor Area																						
Nome	99762			X				0	3	0	2	3	0	2	12	6	4	5	4	1	42	185[4]
St. Michael	99659	*						0	0	0	1	0	0	0	0	1	0	0	1	0	3	6
Savoonga	99769	X						0	0	0	1	0	0	0	4	2	0	0	1	0	8	12
Shaktoolik	99771	*						0	0	0	1	0	0	0	0	0	0	0	0	0	1	3
Shishmaref	99772	*	X					0	0	0	1	0	0	0	0	3	0	0	0	0	4	7
Stebbins	99671	*						0	0	0	1	0	0	0	2	1	0	0	1	0	5	11
Teller	99778		*					0	0	0	1	1	0	0	0	1	1	0	1	0	5	15
Unalakleet	99684	*						0	1	0	1	1	0	1	1	1	2	0	0	0	8	11
Wales	99783	*						0	0	0	1	0	0	0	0	0	0	0	0	0	1	2
White Mtn.	99784	*						0	0	0	1	0	0	0	0	0	0	0	0	0	1	1
Kobuk Labor Area																						
Buckland	99727	*						0	0	0	1	0	0	0	0	1	0	0	0	0	2	3
Deering	99736	*						0	0	0	1	0	0	0	0	1	0	0	0	0	2	4
Kivalina	99750	X						0	0	0	1	0	0	1	1	1	0	0	0	0	4	7
Kotzebue	99752			X				0	0	0	1	5	0	1	4	2	4	0	4	1	24	65
Noorvik	99763	*						0	0	0	1	0	0	0	0	1	0	0	0	0	2	18
Point Hope	99766		*					0	0	0	1	0	0	0	1	3	1	0	1	0	7	15
Selawik	99770		X					0	0	0	1	0	0	0	2	1	0	0	3	0	7	17

BUSINESS LICENSE ANALYSIS OF SELECTED TOURISM-AFFECTED SIC's
ALASKA COASTAL ZONE COMMUNITIES

REGION LABOR AREA / Community	Zip	Overall Assessment of Tourism Economic Effect on Each Community's Economy: None	Slight	Moderate	Significant	Heavy	Dominant	Number of Potentially Tourist-affected Businesses: 40 Railroads	41 Local and Inter-urban Transp.	44 Water Transp.	45 Air Transp. (Scheduled)	45 Air Transp. (Unscheduled)	47 Transp. Svcs.	55 Auto Svc. Stns.	58 Eating & Drinking Places	59 Misc. Retail	70 Hotel, Motels, Lodgs.	72 Personal Services	79 Amusement/Recreations Svcs.	84 Museums/Art Gal.	Subtotal	Total # Businesses in Community
ARCTIC OCEAN COAST REGION																						
Barrow Labor Area																						
Barrow	99723			*	X			0	3	0	1	2	0	1	3	5	2	0	3	1	21	42
Barter Island (Kaktovik)	99747	*						0	0	0	1	0	0	1	0	0	0	0	0	0	2	6
Cape Lisbourne	99790	*						0	0	0	1	0	0	0	0	0	0	0	0	0	1	10[5]
Nooiksut		*						0	0	1	0	0	0	0	0	0	0	0	0	0	1	0
Point Lay	99790	*						0	0	0	0	0	0	0	0	0	0	0	0	0	0	10[5]
Wainwright	99782		*					0	0	0	1	0	0	0	0	1	0	0	0	0	2	6

5. Includes: Cape Lisbourne, Point Lay.
NOTE: Individual counts from the business license directory have been supplemented from other sources.
Source: Derived from Alaska Business License Directory, 1974, Alaska Department of Revenue.

Business License Count Method for Inclusions

40 Rail - none listed in directory but used personal knowledge.

41 Local and interurban -- in the larger cities and towns, counted taxi companies instead of licenses (Anchorage 22 vs. 116, Kodiak 10 vs. 24), but in small towns, villages counted each licensee. In latter case, almost all appeared to be single vehicle owner/operators. For bus lines, included from personal information those locations on regularly scheduled bus and tour bus routes.

44 Water transportation -- only counted those with business names that indicated some type of boat charter. Also included locations with cruiseship and ferry service, both of which are not listed in directory.

45 Air -- used personal knowledge and flight schedules. Listed an airline in each town it serves, even though its business license may only list Anchorage. For non-scheduled service, relied on directory, plus ATC data, plus personal knowledge, plus community surveys.

47 Transportation services -- only counted firms which appeared to be like travel agents.

55 Auto and service stations -- in larger cities, only counted obvious service stations, in small towns counted auto dealers, etc., on theory that they also sell gas, oil and so on.

58 Eating and drinking -- tried to eliminate, by name, those firms in wholesaling, catering, etc. Directory difficult to use here due to multiple listings of same firm.

59 Miscellaneous retail -- in larger towns, limited to obvious gift/book/souvenir shops; in small towns included broader range on theory that drug store or mercantile would also serve the tourists as outlet for arts & crafts, souvenirs, supplies, etc.

70 Hotels/motels -- used directory plus personal knowledge, plus Western's Blue Book. Also included obvious campgrounds and trailer parks for tourists.

79 Amusement and recreation -- tried to limit the count to guides, charters, and other tourist-related businesses in larger cities. Expanded in small towns to include recreation hall, etc., which often act as social center for community and thus one of few places for tourists to go.

84. Museums and galleries -- used directory plus personal knowledge.

ANALYSIS OF SELECTED TOURISM-RELATED ACTIVITIES

ANALYSIS OF SELECTED TOURISM-RELATED ACTIVITIES

Introduction

This method of analysis provides us with two kinds of information. First, by means of a rating system, we can see which activities exist in each local economy and about how important each one is to an economy. Secondly, this analysis provides in-depth information on the economic effects of some of the most common tourism activities. Cruiseship touring, package touring, sport fishing, camping, big game hunting and ferry travel were examined in some depth.

A large number of sources of information and data from other fields was used for both the in-depth work and the activity ratings. Highway vehicle classification studies were used for volume of recreational vehicles at Haines and on the Kenai Peninsula. Ferry traffic records were used to estimate in-season tourism volume. A study of the economic characteristics of sport fishing was useful in discussing sport fishing. Dozens of colorful tour brochures were disected to estimate the economic effects of package tours and to document the stops of each cruiseship. Division of Game printouts provided information on where hunting activity occurs and Department of Commerce records told us where the guides live.

These are examples of the many information sources used to tell us more about tourism in Alaska's coastal zone.

In addition, the community survey, question 5, produced information on the existence and impact of the different kinds of tourists which visit the 57 communities responding to the survey.

MAJOR FINDINGS

An analysis of four popular standard package tours shows 61.3% of the economic effects occur in the coastal zone.

The two most popular package tour options have 100% of their economic effect in the coastal zone.

Many of the major attractions, around which package tours are built, are natural features of the coastal zone.

Transportation and lodging account for about 80% of the economic effect of a package tour.

A typical 12-14 day package tour provides $359.61 of revenue in Alaska of which $220.50 occurs in the coastal zone and $139.11 occurs inland.

In 1975, 107 cruiseship voyages made a total of 406 calls at 6 Southeastern ports. They also cruised Tracy Arm on 57 voyages and Glacier Bay on 88 voyages.

Approximately 80% of all sport fishing effort in Alaska, by both residents and non-residents, occurs in the coastal zone.

Of 11 high use sport fisheries in Alaska, 8 of them are coastal and five of these are on the Kenai Peninsula coast.

According to one study, 19.3% of the Alaska sport fish catch and 20.9% of expenditures by sport fishermen are by non-residents. What proportion of these are first-year residents buying non-resident licenses, business or pleasure travelers is not known.

Of annual Alaska Marine Highway passenger traffic in 1974 at Alaskan ports, 60.8% occurred from June to September, the four months of heaviest tourism traffic.

Eighty-four percent of the master guides and 56% of the registered guides in Alaska reside in coastal communities.

Over two-thirds of the non-resident brown bear harvest and one-half of the non-resident moose harvest occurs in coastal areas.

The Alaska Peninsula is the major area of non-resident hunting emphasis.

Over two-thirds (68.7%) of Alaska state park system visitations occurred in coastal regions in 1974. Of the coastal visitations, 29.8% were non-resident. Most visitations were to campgrounds.

A sample of Tongass National Forest cabin reservations showed 16% were non-resident in 1975.

PACKAGE TOUR ECONOMIC EFFECTS

The package tour segment of tourism is probably the most well-known segment. This is the organized portion of tourism where people travel, usually in groups over a pre-arranged and prepaid itinerary. The market for package tours is predominently older persons. The most popular tour is a 12-14 day air/sea combination which includes cruising the inside passage. For example, for $1,092 a person could purchase "the trail of '98" tour, a 12-day air/sea tour which includes Seattle, Anchorage, McKinley, Fairbanks, Whitehorse, Skagway, Juneau, Tracy Arm, Prince Rupert and Vancouver by air, bus, railroad and cruiseship.

In an effort to quantify the economic value of package tours to Alaska, we "broke down" a number of popular tours and options. By doing so, we are able to determine how much of the total tour price was spent in Alaska, on what and where it was spent within the State and in the coastal zone in particular.

First an inventory of tour offerings was conducted to determine all the types of package tours available. Three categories of packages became obvious.

1. Package tours: Those tours originating outside Alaska and moving through the State on pre-arranged itineraries.
2. Intra-state package tour options: Within the State are package tours which can be purchased involving travel from one community to another.
3. Local package tours: These are tours in a

community, usually of short duration such as one to five hours. Bus tours are the most common type.

There are three types of economic effects from package tours, of which only one is considered in this analysis.

First, is the impact of the package tour itself and that includes the transportation, lodgings, local touring, transfers and bag charges included in the package tour. This is the one impact considered here.

Second is the secondary impact of the package tour components such as dockage paid by cruiselines, purchases of diesel oil by busses, etc.

Third is the optional expenditures by the tourists themselves on gifts, crafts, meals, drinks, etc.

In this analysis, we are discussing the value of the coastal economy of the tours themselves which, in turn, converts into employment and income for businesses servicing package tours.

Though all three types affect the coastal economy, only the package tour itself had information available which could be used for analysis. There simply has been no research conducted concerning package tours.

Calculating the Economic Effects of Package Touring

The overwhelming majority of package tours, meaning the complete trip (8 to 25 days) type of package tour, utilizes a cruiseship. No data is available as to how many cruise passengers are on an extended package tour and how many are round trip cruise passengers. Therefore, there is no statistically reliable basis for computing the economic value of the package tourists. However, we can compute the economic value of single package tours to Alaska and to the coastal zone to demonstrate where the economic effects are concentrated.

Secondly, we can make a guestimate though not statistically valid, of total package tour traffic using cruiseship data combined with recorded testimony from the November 1973 Alaska State Legislative Interim Committee on Tourism hearings. By this method we calculate an estimated 31,200 package tours using cruiseship legs were sold in 1975.

Guestimate of Package Tour Tourists Using Cruiseship, 1975

	1974[1/]	1975
Number of Sailings	94	107
Round Trip Berth Capacity	43,000	48,600
One Way Package Tour Berth Sales	27,600 (13,800 R.T. Equivalent	31,200 (15,600 R.T. Equivalent
Percent Package Tour of Total R.T. Berths	32.1%	32.1%

By assuming package tours would be the same proportion (32.1%) of total berth sales for 1975 as estimated for 1974, we derived the estimate of 31,200 package tours using cruiseships. This may not be a entirely accurate assumption, but in the absence of any data we use it for the purposes of computation.

1. Source: Digest of Proceedings, Alaska State Legislature Interim Committee on Tourism, 1973, p. 12.

Next, we take the economic effect in Alaska of the actual package tours analyzed, which are representative of most package tours sold.

The average economic effect in Alaska of the four common tours was $359.61. This times 31,200 package tourists using cruiseships = $11,219,800 in economic effect in Alaska. 61.3% of this occurs in the coastal zone which calculates to $6,879,600.

This is not the total value of package tours in Alaska. Unknown are expenditures by the tourists themselves on food, gifts, etc. Unknown are the quantities of package tours not using cruiseships and their economic effects. Unknown are the numbers of tourists purchasing options. Unknown are the number of tourists purchasing tours longer or shorter than our "typical" or most common tours.

The fallacy in these calculations is two-fold:

1. Only the economic effects of these specific package tours has any basis in research. The estimate of the number of package tourists and of cruiseship passengers are relative shots in the dark with no real factual basis. They are used only in the absence of factual data.
2. If the total economic value of package tours were known, it would not be meaningful except for year to year comparisons with itself. Only if the data are tied into existing economic data can we discuss the relative importance of tourism as an economic force in Alaska, the coastal zone or any single community.

The following calculations are accurate breakdowns of actual package tours offered on the market in 1975. However, the preceding guestimates of tourist volume and total value are just that and should not be considered for purposes other than to get an idea of the magnitude of package tour business.

Coastal and Inland Distribution Package Tours

	Total Alaska	Coastal	Inland	Percent Coastal of Total Alaska
Tour #1	$313.83	$189.40	$124.43	60.4%
Tour #2	358.21	215.03	143.18	60.0
Tour #3	343.73	198.30	145.43	57.7
Tour #4	422.65	279.27	143.38	66.1
Average	$359.61	$220.50	$139.11	61.3%

Intra-State Tour Options

Option 1	$ 71.10	.00	100%
Option 1	177.65	.00	100

Coastal Zone Economic Effects of Package Tours by Type of Expenditure

	Tour #1	Tour #2	Tour #3	Tour #4	Average	Percent
Transportation	$ 74.60	$104.13	$140.82	$ 76.75	$ 99.07	44.9%
Lodging	77.55	59.50	88.30	77.55	75.73	34.4
Transfers, Bags	9.80	15.40	23.60	9.80	14.65	6.6
Sightseeing	27.45	36.00	26.55	34.20	31.05	14.1
Total	$189.40	$215.03	$279.27	$198.30	$220.50	100.0%

Geographic Distribution of Economic Effects of Most Common Actual Package Tours and Two Most Common Intra-State Options

Common 12-15 Day Package Tours

	Tour #1	Tour #2	Tour #3	Tour #4	Average	Region
Ketchikan	$ .00	$ .00	$ .00	$ 6.75	$ 1.69	Coastal
Juneau	9.00	91.03	73.56	9.00	45.65	Coastal
Skagway	35.00	15.85	75.41	35.00	40.32	Coastal
Fairbanks	86.23	104.98	108.98	105.08	101.32	Inland
Mt. McKinley	38.20	38.20	38.20	40.35	38.74	Inland
Anchorage	145.40	98.70	126.50	147.55	129.54	Coastal
Sitka	.00	9.45	.00	.00	2.36	Coastal

Intra-State Package Tour Options

Columbia Glacier Option			Arctic Option		
Anchorage	$17.74	Coastal	Anchorage	$69.50	Coastal
Valdez	44.45	Coastal	Kotzebue	37.00	Coastal
Whittier	8.91	Coastal	Nome	71.15	Coastal

Typical Package Tour Breakdown

Package Tour	Sale Price	Out-of-State Portion Plus Overhead & Profit	Economic Effects in Alaska
Tour #1	$1,180.00	$866.17	$313.83
Tour #2	1,182.00	823.79	358.21
Tour #3	1,095.00	751.27	343.73
Tour #4	975.00	552.35	422.65
Average	$1,108.00	$748.40	$359.60

Source: Various publications by tour companies provided detailed information on hotels, transportation, etc. Values were computed using known price schedules, commissions and negotiated rates. See "Criteria of Economic Analysis of Package Tour Expenditures," this section.

Criteria for Economic Analysis of Package Tour Expenditures

Air Fare

100% of intra-Alaska flight values are counted. 50% of flight fares to and from Alaska are counted.

Fares are priced at the amount paid to the airline on behalf of the tourist by the wholesaler. In other words, actual revenue to the carrier is calculated. The amount is allocated to places of arrival and departure, 50% each.

Cruiseship Fare

Cruiseship fare was not included as spent in Alaska. All the financial and employment effects of these fares occur external to Alaska.

Alaska State Ferry Fares

100% of fares and stateroom revenue are included. The revenue itself accrues to the State of Alaska and almost all employment is within the State. Value is calculated at the amount actually received by the carrier for the passengers in 1975.

Railroad Fare

50% of Skagway-Whitehorse fare is allocated to Skagway under the assumption Skagway receives employment impact. Priced at the amount actually received by the carrier for the passengers.

Bus Fares (Inter-city Transportation)

The value of bus fares to the economy are calculated at 100% of intra-State fares and 50% of fares to and from the State. For example, 50% of a non-stop bus fare between Whitehorse, Yukon Territory and Fairbanks would be allocated to the Alaska economy. However, if the same bus overnighted at Beaver Creek on the

Canadian side of the border, then only 1/3 of the fare is allocated to Alaska. This is because economic impact is distributed among three locations (Whitehorse, Beaver Creek and Fairbanks). Bus fares are priced at amount actually received by carrier.

Hotels

100% of hotel revenue at hotels located in Alaska is included. Hotel revenue at hotels located elsewhere were excluded. Prices are based on double occupancy.

Sightseeing

100% of local packaged sightseeing tours in Alaska is included. Priced at actual amount received by bus company.

Transfers and Bag Charges

100% of transfers and bag charges in Alaska is included.

Calculations for Coastal Zone Portion of Total Alaska Economic Effect of a Package Tour:

Certain transportation legs in some tours traverse both coastal and non-coastal areas. This occurs with bus and rail transportation between Anchorage, Fairbanks and Mt. McKinley.

In these cases, the cost of the leg is divided by the number of overnight stops and allocated accordingly.

For example, Fairbanks, Mt. McKinley and Anchorage each receive 1/3 of the fare.

Any tour activity not occurring in the coastal area is not included in the coastal figure.

The price of each item (hotel, bag charges, etc.) is the price actually received by the businesses on behalf of the tourist,

usually from the wholesaler. For example, hotel rates are negotiated each season and are often a bit lower than published prices for the general public.

THE ECONOMIC EFFECTS OF CRUISESHIPS IN ALASKA

In 1975, a total of 107 cruiseship voyages by nine ships departed the west coast of the U.S. and Canada and cruised round trip through British Columbia and Southeast Alaska.

Capacity for 48,570 passengers was available and it is estimated by knowledgeable industry people that the vessels ran at 80% of capacity for the season. (Eighty (80%) percent capacity means the equivalent of 38,856 round trip passengers and this figure is used for economic calculations.)

There are two types of passengers using cruiseships. Those on a round trip cruise only and those using one leg of the cruise voyage as either the first or last part of a package tour of Alaska which extends beyond Southeast Alaska.

Most cruises and tours using cruises begin in Seattle or Vancouver, British Columbia and return to Victoria, Vancouver or Seattle. For the Alaska trade, the most common voyage is eight days, five of which are spent in Alaskan waters and ports. Voyage lengths range from eight to 14 days, the longest being an L.A. to Skagway-return to L.A. cruise.

An average per day price was computed for all nine ships which ranged from $90.00 on up to $137.50 per day. This is done by taking the price of a round trip voyage and dividing by the number of days for the voyage. The price used was the price for the most common stateroom on each ship. These average daily prices were computed by the passenger volume on each ship and a composite average cruise day price of $122.73 was calculated.

Thus for 38,856 round trip equivalents of the composite or typical cruise, cruise lines earned $38,156,592 from Canada/ Alaska cruises excluding earnings represented by L.A., and San Francisco to Vancouver legs. This would add $5,660,400 to the total.

None of this accrues directly to Alaskan businesses and these calculations are not intended to make any case for or against cruise traffic. This only is meant to demonstrate the financial magnitude of the Alaska cruise trade. This business is transacted outside the Alaskan economy.

The portion of this which is spent in Alaska by cruise lines was researched through ships' agents in Southeast Alaska. The resulting data is a rough estimate by the ships' agents and should not be considered complete or entirely accurate. There are likely other expenditures, but the major ones are included here. This information does tell us the approximate amount spent by cruiselines themselves in Alaska.

$905,420 is estimated to be spent by cruise lines in Alaska in the six ports of call. (The six ports of call are Juneau (107 voyages), Skagway (94), Ketchikan (90), Sitka (71), Wrangell (40), and Haines (4).) These expenditures are customs and immigration fees, piloting fees, camel logs, linesmen (longshoremen) and agents' fees, tug assistance, lightering costs, dockage, local fish purchases and garbage. Piloting fees and longshoring costs accounted for over 80% of the total spent by cruiselines, according to the agents' estimates.

The economic value of cruiseship traffic of most interest to communities and Chambers of Commerce is what is actually spent by cruise passengers and off-duty crewmen when they disembark in communities. No statistically valid research has been conducted on this matter in spite of the interest to the communities. The most recent is a figure used by Ketchikan of $9.84 per passenger, excluding local sightseeing tours.[1]

If we assume this average (in the absence of any other data) and apply it to the average of four ports of call per round trip voyage, the average cruise passenger parts with just over $39.00 in Alaska. Thus, spending by 28,856 passengers could total $1,515,400 in Southeast Alaska communities, using the Ketchikan figure as a basis.

In addition to this, local sightseeing is available as options in Ketchikan, Juneau and Sitka. If we assume the following percentages of passengers take these tours, we have:

	Passengers		% Taking Tour*		Price		Total
Ketchikan	31,976	x	60%	x	$6.75	=	$129,503
Juneau	38,856	x	80%	x	9.00	=	279,763
Sitka	28,740	x	80%	x	7.00	=	160,744
Total Local Tour Revenue							$570,210

*Juneau and Sitka tours are known to be more popular than Ketchikan tours. Percentages are subjective estimates.

1. Source: City of Ketchikan.

We can then approximate total spending in coastal Alaska by cruiselines and their passengers in 1975.

Spending by Cruiselines	$ 905,420
Passenger spending on miscellaneous retail purchases	1,515,400
Passenger spending on local tours	570,210
Total	$2,991,030

This method of calculating has two pitfalls:

1. It is not based on accepted statistical research methods, thus is not statistically reliable.
2. If it were reliable, it still would not be useful for comparisons to other industries or to the economies of various communities, because it doesn't match up with any source of standard economic data.

The only standard data this figure is comparable to is gross business receipts and even that is not a truly comparable set of data. For example, all businesses which reported in 1973 in the four major cruiseship ports received $425,000,000, compared to about $3,000,000.

The message here is that no data exists which is suitable for measuring the importance of tourism as an economic force. If data is developed, it should be tied into existing data systems. By doing so the data becomes useful for judgements and decision making.

After all that discussion, why is this data used in this study? To locate <u>where</u> the economic effects occur (Juneau, Ketchikan, Sitka, Wrangell, Skagway and Haines), <u>what</u> <u>kind</u> they

are (gifts, local tours, pilot fees, docking costs, and the relative amounts of economic effects comparing communities to one another.

We can safely say cruiseship touring is more important to Sitka than to Haines. But no data exists to tell us how important cruiseship touring is to Sitka. All data we collected for this study is comparative or relative data.

Cruiseship Ports of Call/
Alaska 1975 Season

Port	Calls	Passengers
Ketchikan	90	31,976
Wrangell	40	7,956
Juneau	107	38,856
Haines	4	1,440
Skagway	94	32,376
Sitka	71	28,740
Scenic Calls		
Tracy Arm	57	13,056
Glacier Bay	88	36,196

Source: Various publications by cruiselines.

Estimated Distribution of Cruiseship
Company Expenditures, 1975 Season

By Type of Expense	Amount
Customs & Immigration	$ 4,335
Piloting Fees	301,000
Pilot boat service	21,320
Tugs	6,000
Lightering facilities	3,500
Linesmen (longshoremen) & agents	225,775
Camel logs	13,600
Lightering boats	7,000
Fish purchases	18,000
Garbage	650
Miscellaneous	24,000
Package	19,960
Total	$645,140[1]

Estimated Distribution of Cruiseship Company Expenditures, 1975 Season (Continued)

By Community	Amount
Ketchikan	$176,190
Wrangell	51,000
Juneau	279,370
Haines	11,500
Skagway	292,360
Sitka	95,000
Total	$905,420[2]

Source: Southeast Stevedoring Company, estimates only.

1. $645,140 was actual total reported by source. This does not include all ships but did include most ships in all 6 ports. This made it possible to calculate a per passenger expenditure in each port by the cruiselines.
2. The per passenger expenditure for each port calculated in 1 was multiplied by the known passenger total for all ships calling in each port. This resulted in an estimate of expenditures by all ships in each port which totals $905,420.

Cruiseship Passengers to Alaska by Vessel, 1975

Vessel	Voyages	100% Capacity	100% Capacity	Total Passenger at 80% Capacity
Sun Princess	15	740	592	8,880
Island Princess	12	600	480	5,760
Pacific Princess	5	600	480	2,400
Royal Viking Sky	6	500	400	2,400
Fair Sea	7	850	680	4,760
Monterey	5	400	320	1,600
Prinsendam	17	375	300	5,100
Princess Patricia	19	330	264	5,016
Xanadu	21	175	140	2,940
	107			38,856

ANALYSIS OF FERRY TRAFFIC RELATING TO TOURISM IMPACT

When we compute in-season (June-September) traffic as a percent of total annual traffic, we generalize and say that the higher the percent the greater the tourism economic effect of ferry traffic on a particular community. This may not be true in every case but a study by Dindinger in 1972[1] showed a large proportion of the summer traffic increase was non-resident tourist travel. We are assuming this holds true in 1974, the period analyzed in this section.

This generalization is tempered by the size of the community and the volume of traffic when we assigned our 0, 1, 2 and 3 ratings for each community.

For example, Juneau and Haines each had about 19,000 passengers in season. However, the relative impact on Haines would be much greater because its economy is much smaller than Juneau's.

Also, if two communities have the same percent of in-season traffic (Juneau 58.1%, Kodiak 58.5%) the impact can be drastically different due to passenger volume. In this case, Juneau has 19,000 and Kodiak, 3,000 passengers in season.

If we consider volume, percent of traffic in season and size of local economy, the tourism impact ratings for each community come out as shown on the following page.

1. Source: Purpose of travel and how it affected Alaska's 1972 summer transportation, Robert Dindinger, Alaska Division of Tourism.

Ferry Traffic Entering and Leaving Alaska

In 1974, 46,078 passengers and 13,603 vehicles entered Southeast Alaska from the ports of Seattle and Prince Rupert, B.C., while 42,515 passengers and 11,178 vehicles left the State via the same ports.

Of these totals, 30,240 passengers (65.6%) and 6,891 vehicles (50.7%) entered between June and September and 30,371 passengers (71.4%) and 7,020 (62.8%) vehicles departed in those same four months.

No recent studies have been done to determine what proportion are non-residents so we cannot calculate the volume of tourists. However, a 1972 study (Dindinger) does report that 72.9% of the entering passengers were non-resident tourists whose purpose of travel was tourist and pleasure, to visit friends and relatives or business and pleasure.

If this is applied on an annual basis and we assume the 1972 percentage is valid in 1974, then 52.1% of the total 1974 passenger traffic was tourists entering between June and September. If we assume some tourists entered from January to May and from October to December then it is reasonable to say that between 55 and 60% of the total passengers entering Alaska on the system in 1974 were tourists.

As in other types of tourism there is no data or research telling us what are the economic effects of ferry travelers. We assume some of these effects would be vehicle-oriented and camping oriented. For example, gas, repairs to vehicles, groceries, general merchandise, sporting goods, etc. This study serves the

purpose of locating tourism economic effects and expressing their approximate magnitude. The study does this because there is information available on ferry traffic, for example. It does not identify and measure the specific economic effects, because there is no information.

Economic Effect of Ferry Tourism on
Alaska Marine Highway Ports of Call

Maximum Expected: (3)
- Haines
- Skagway
- Valdez
- Whittier
- Juneau

Considerable: (2)
- Ketchikan
- Homer
- Kodiak
- Seward

Slight: (1)
- Wrangell
- Petersburg
- Sitka
- Metlakatla
- Seldovia
- Port Lions

Negligible: (0)
- Hollis
- Kake
- Hoonah
- Cordova

Embarking Passenger Traffic/Alaska Ferry System Ports of Call
In-Season Traffic as a Percent of Total Traffic, 1974*

Southeast[1]	Total Passengers	In-Season (J-J-A-S)	Percent Total In-Season
Ketchikan	23,816	12,973	54.5%
Wrangell	9,090	4,292	47.2
Petersburg	11,336	5,137	45.3
Sitka	5,766	3,011	52.2
Juneau	32,547	18,926	58.1
Haines	29,247	19,321	66.1
Skagway	16,742	11,284	67.4
Metlakatla[2]	6,638	2,740	46.3
Hollis	2,696	1,259	46.7
Kake	2,014	717	35.6
Hoonah	2,551	933	36.6
M.V. Bartlett			
Cordova	2,201	794	36.1
Valdez	11,733	9,888	84.3
Whittier	10,093	9,503	94.2
M.V. Tustemena			
Seward	4,206	2,661	63.3
Homer	4,927	3,269	66.3
Seldovia	2,243	1,464	65.3
Kodiak	5,768	3,376	58.5
Port Lions	625	387	61.9
Out-of-State			
Seattle	17,975	8,872	49.4
Prince Rupert	28,103	21,368	76.0

* All statistics are 1974 except Metlakatla, Hollis, Kake and Hoonah statistics are the first 10 months of 1975 (January - October) combined with the last two months of 1974 (November - December) to comprise full year for purpose of computations.

1. Mainline Ferry traffic only. Excludes M.V. Chilkat and M.V. LeConte from Ketchikan, Wrangell, Petersburg, Sitka, Juneau, Haines and Skagway.
2. Metlakatla and Hollis served by M.V. Chilkat only. Kake and Hoonah served by M.V. LeConte only.

Source: Derived from traffic volume reports, Division of Marine Transportation.

Origin-Destination Data

Unpublished origin-destination data was made available by the Alaska Marine Highway to assist in this study.

Origin and destination of traffic boarding at each port is new information and was available only for Southeast mainline ports. However, it readily shows the main tourist flows. This allows us to see what ports receive traffic from other ports in July, 1975, the peak of tourist travel.

Northbound tourists board at Seattle and Prince Rupert, southbound board at Haines and Skagway. The origin and destination data shows:

57% of Seattle boarders sailed straight to Haines & Skagway
44% of Prince Rupert boarders sailed straight to Haines & Skagway
54% of Haines boarders sailed straight to Prince Rupert or Seattle
37% of Skagway boarders sailed straight to Prince Rupert or Seattle

Conclusion

With the exception of Ketchikan and Juneau, very little of the apparent tourist traffic stops in-between ports. Thus, economic effects of ferry traffic are minimal in several ports receiving frequent calls. Another influence which may affect Sitka's low rating (1) is scheduling. Scheduling to Sitka is less frequent than to other mainline ports.

Passenger Origin and Destination
Southeast Mainline System -- July, 1975[1]

Origin	Percent Embarking	DESTINATION Percent Disembarking Sea	YPR	Ktn	Wrg	Pbg	Sit	Jnu	Hns	Skg
Sea	100%	--%	0%	16%	3%	5%	--%	19%	32%	25%
YPR	100	--	--	30	2	2	2	23	30	11
Ktn	100	7	49	--	9	9	2	16	6	3
Wrg	100	9	16	26	--	25	2	14	6	1
Pbg	100	8	11	16	19	--	5	35	3	3
Sit	100	21	9	20	3	8	--	23	8	9
Jnu	100	7	21	7	2	6	5	--	28	24
Hns	100	13	41	2	1	1	1	25	--	15
Skg	100	9	28	2	0	1	3	28	28	--
Total	100%	7%	22%	11%	3%	4%	2%	19%	18%	12%

1. Source: Division of Marine Transportation.

SPORT FISHING

Sport fishing is engaged in by both resident and non-resident tourists and there is no data which separates their impact such as there is in hunting. When rating each community for sport fishing, we considered the total economic effect of both resident tourists and non-resident tourists.

A study of 1973 sport fishing "Economic Characteristics of Sport Fishing in Alaska" by Dale L. Harmer of Boeing Computer Services was useful in locating regions which received the greatest effort and in determining the proportion of fishing effort which was non-resident.

Non-residents took 19.3% of the total sport fish catch in Alaska in 1973. Of an estimated 3,742,652 fish caught in 1973, 702,725 were by non-residents. Of the non-resident total, 19% were taken by foreign sport fishermen, 19% by military non-resident and 58% by U.S. civilian non-resdients.

The sport fishing effort in the coastal zone regions is substantial. About 80% of the total effort in 1973 was expended in coastal areas as follows:

Sport Fishing Effort by Region, 1973

Region	Effort in Man Days		Percent of Total	
Kenai Peninsula	419,500		29.1%	
Southeast Alaska	306,711		21.3	
Cook Inlet & Lower Susitna River	221,500		15.3	
Alaska Peninsula/Bristol Bay/Aleutians	80,790		5.6	
Kodiak	72,741		5.0	
Prince William Sound	53,218		3.7	
Total Coastal		1,154,460		80%
Arctic/Yukon/Kuskokwim	201,673		14.0%	
Upper Copper-Susitna Rivers	86,832		6.0	
Total Interior		288,505		20%
TOTAL ALASKA	1,442,965		100.0%	

The Harmer survey also shows that 26.3% of all effort is in salt water, obviously coastal. Stream fishing constitutes 56.3% and lake fishing, often inland, is 17.4% of the effort.

Fishing license data is broken down by resident and non-resident, but there is no further breakdown showing the specific location of license purchases. Thus, we relied heavily on the 1973 survey, community questionnaires, our own knowledge and some research by Fish and Game for our sport fishing ratings in each community.

The 1973 Harmer survey did extensive analysis of spending by sport fishermen but did not offer breakdowns by region or resident/non-resident except for averages. It is useful to note the categories of expenditures as follows from p. 13 of the Harmer study.

Expenditure	Amount	Average per Fisherman	Percent of Total
License fees	$ 957,735	$ 5.81	1.84%
Gear	4,454,409	27.01	8.56
Boats & Related Exp.	15,090,183	91.51	29.01
Food and Beverage	6,307,614	38.25	12.12
Transportation	17,027,579	103.25	32.73
Lodging	6,398,009	38.80	12.30
Other	1,790,492	10.81	3.44
Total	$52,026,021	$315.51	100.00%

The study provides a further breakdown of expenditures by resident and non-resident:

Expenditure	Amount	Average per Fisherman	Percent of Total
Resident	$41,136,400	$328.00	79.1%
*Non-resident	10,889,627	278.00	20.9
Total	$52,026,021	$316.00	100.0%

*Some proportion of this is first-year Alaskan residents who don't qualify for resident licenses.

Sport fishing avoids falling into the trap of other tourist economic information. Several of the expenditure estimates can tie into standard data.[1]

For example, the State knows the amount of revenue collected from non-resident fishing license fees ($604,400 from 39,391 licenses). This comprises over 25% of the State's total fish and game license and tag revenue.

1. Source: Source of all data in text to this point is: Economic Characteristics of Sport Fishing in Alaska, A Summary of Results of the 1973 Alaska Sport Fishing Survey, Dale L. Harmer, Boeing Computer Services, Inc., 1974, for Alaska Sport Fish Division.

Standard Industrial Classification (S.I.C.) 70 (hotels, motels and lodges) reported $52,135,000 in gross receipts in 1973 from all sources.[2] The Boeing study shows $6,398,000 spent on lodging by sports fishermen. If we assume the research is accurate and the gross receipts report not too far off, then about 12% of the State's hotel, motel and lodge business comes from sports fishermen, both resident and non-resident.

By use of this data we are able to say things about sport fishing activity which have meaning in relation to the rest of the economy and to existing sets of data.

For example, in 1973, S.I.C. 70, hotels, motels and lodges reported an average monthly employment of 1,882 employees, average monthly wage of $527 and total wages of $11,909,702.[3]

If we know that 12.3% of S.I.C. 70 revenue was from sport fishermen, we can justifiably assume a proportionate amount of employment and wages were the result of sport fishing business. In the case of S.I.C. 70 we could assume about 230 employees and $1,466,000 in wages was a result of sport fishing business at hotels, motels and lodges in Alaska in 1973.

If tourism data were collected and tied in to existing data in that manner, it becomes possible to say meaningful things about tourism's relative influence in certain sectors of the economy.

2. Source: 1973 Calendar Year Gross Receipts Report, Alaska Department of Revenue.
3. Source: Alaska Department of Labor, Statistical Quarterlies, 1973.

High Use Fisheries

Fish and Game reserach on 11 high use sport fisheries was made available. Eight of these can be considered coastal and their location is specifically identified. Again, resident and non-resident data are not available. There are three users of each of these fisheries; residents of the area where the fishery is located, resident tourists from elsewhere in Alaska and non-resident tourists. No economic distinction among these is possible with existing data. However, since only the Juneau and Ketchikan fisheries are adjacent to major population centers, we can assume a large share of the effort in the other six coastal fisheries is done by residents and non-residents not living in the areas of these fisheries.

High Use Sport Fisheries[1]

Following is a resume of the larger Alaskan sport fisheries in terms of angler effort and harvest. Razor clamming is also included because a sport fishing license is required to harvest this species.

It should be recognized that substantial, and in some cases, equally important fisheries occur in other areas and waters of the state for both resident and anadromous fish. The following depict major fisheries where angler effort is heavily concentrated, and management needs dictate the harvest be closely monitored by the Sport Fish Division.

Most of the Alaskan sport fisheries contribute about 10,000 man/days of fishing annually. The largest and most intensive fisheries tend to contribute in excess of 20,000 man/days.

It is noteworthy that the 10 recreational fisheries illustrated provided approximately 175,000 man/days of recreational angling during 1975.

Coastal*	I	Razor clam digging	
		24,260 man/days of 896,080 razor clams harvested	Conducted along the east side Cook Inlet beaches, with the principal effort at Clam Gulch.
Coastal	II	Kenai River King Salmon Fishery	
		28,830 man/days of 2,610 king salmon harvested	Occurs primarily downstream of the City of Soldotna and in the upper river between Naptowne Rapids and Skilak Lake.

Coastal	III	Resurrection Bay Coho Fishery	
		21,000 man/days of effort 22,000 coho harvested	Takes place offshore of Seward. Both the regular season fishery and salmon derby monitored by the Department to evaluate the success of the Bear Lake salmon rearing program.
Coastal	IV	Ketchikan Saltwater Salmon Fishery	
		21,000 man/days of effort 6-8,000 salmon harvested.	Sport fishery occurs both in the Ketchikan and upper Behm Canal area.
Coastal	V	Juneau Saltwater Salmon Fishery	
		21,000 man/days effort 8-11,000 salmon annually	Conducted principally in Stephens Passage and Lynn Canal.
		(coho comprise the majority of the catch)	1975 data not available, and figures reflect an annual mean.
Coastal	VI	Kenai King Salmon Punch Card Fishery	
		19,600 man/days of effort 850 king salmon harvested	Located on three freshwater streams entering Cook Inlet and accessible by road.
Inland	VII	Quartz Lake Rainbow Trout Fishery	
		16,738 man/days of effort 23,901 rainbow harvested	Located 16 miles north of Delta Jct. Quartz Lake is a rehabilitated lake, managed and stocked by the Sport Fish Division.
Inland	VIII	Russian River Red Salmon Fishery	
		16,510 man/days of effort 9,790 red salmon harvested	A tributary to the Kenai River on the Kenai Peninsula and a red salmon "fly fishery".

BIG GAME HUNTING

Non-resident big game hunting was analyzed because the licensing and control of hunting created good data by geographic (game management unit) area. This allowed us to locate the specific regions of activity and to find the intensity of activity in each area. We then traced the economic effects of the big game hunting activity by guide residency, business license analysis and harvest statistics to arrive at ratings for each community's economy.

Specific data on hunting economic effects doesn't exist but non-resident big game hunting is a high revenue sport because of game taxes, licenses, guide fees and the expense of transportation to often remote locations.

Results of this analysis show that a large share of non-resident hunting occurs in the coastal game management units, with important effort on the Alaska Peninsula and Kodiak Island. Non-residents have important impact by taking 62.8% of the Brown-Grizzly Bear, (1974) 18.6% of the moose, (1974) 38.9% of sheep, and 28.9% of the black bear (1973).

The majority of guides live in coastal communities and the economic effects of outfitting are centered in Anchorage and larger towns.

Non-resident hunting licenses brought in $137,520 in 1974 and big game tags raised $744,950 in state revenue.

Inland IX Chena River Grayling Fishery

13,000 man/days of effort 26,000 grayling harvested	A tributary stream to the Tanana River, flowing through the city of Fairbanks. Easily accessible by road.

Coastal X Valdez Arm Saltwater Salmon Fishery

9,979 man/days of effort 13,355 salmon harvested (coho comprised bulk of harvest)	Occurs in saltwater in Valdez Arm. 1974 figures presented, as fishery not censused in 1975.

It is interesting to note that while the effort is relatively low in this fishery, the catch per man/day is the highest of any similar fishery in the state.

Coastal XI Deep Creek Saltwater King Salmon Fishery

8,050 man/days of effort 880 king salmon harvested	Occurs in saltwater off the mouth of Deep Creek. Restrictive boat launch facilities make this largely a "car-top boat" fishery. Fishing success is largely weather dependent.

1. Source: Division of Sport Fish, Alaska Department of Fish and Game.

* Coastal and Inland designations are by author.

Master Guides and Registered Guides
Regional Distribution of Residence, 1975

Coastal Region	Master Guides		Registered Guides		Total Guides	
Southeastern	5		7		12	
Gulf Coast	0		10		10	
Cook Inlet	12		72		84	
Kodiak	1		11		12	
BB, AP & AI	1		5		6	
Yukon-Kuskokwim Delta	0		0		0	
Arctic	2		5		7	
Total Coastal	21	84%	110	56%	131	59%
Total Inland	4	16	86	44	90	41
Total Alaska	25	100%	196	100%	221	100%

Source: Alaska Department of Commerce.

Non-Resident Big Game and
Waterfowl Harvest, Coastal and Inland

Specie	Coastal	Inland	Total
Brown-Grizzly Bear (1974)	67.8%	32.2%	100.0%
Moose (1974)	48.2	51.8	100.0
Sheep (1974)	0.0	100.0	100.0
Black Bear (1973)	28.3	71.7	100.0
Goat (1974)*	88.0	12.0	100.0
Ducks (1973-74)*	80.3	19.7	100.0
Geese (1973-74)*	93.0	7.0	100.0

* Total harvest, all hunters, non-resident data not available.
Source: Alaska Division of Game.

Coastal Region of Guide Residence (1975) Compared with Coastal Region of Non-resident Harvest of Three Big Game Species

Coastal Region	Percent of Coastal Guides	Percent of Non-resident Coastal Harvest: Brown-Grizzly Bear	Moose	Sheep
Southeast	9.2%	14.4%	1.0%	0%
Gulf Coast	7.6	5.2	1.9	0
Cook Inlet	64.1	0.5	10.3	0
Kodiak	9.2	34.3	0.0	0
BB, AP & AI	4.6	41.6	84.7	0
Yukon-Kuskokwim Delta	0.0	0.0	0.3	0
Arctic	5.3	4.0	1.9	0
Total Coastal	100.0%	100.0%	100.0%	0%

Total Alaska Guide Residence Compared with Total Alaska Non-resident Harvest of Three Big Game Species (Numbers of)

	Residence of Guides	Non-resident Harvest: Brown-Grizzly Bear	Moose	Sheep
Coastal Regions	131	327	505	0
Inland	90	155	543	484
Total Alaska	221	482	1,048	484

Total Alaska Guide Residence Compared with Total Alaska Non-resident Harvest of Three Big Game Species (Percent of)

	Residence of Guides	Non-resident Harvest: Brown-Grizzly Bear	Moose	Sheep
Coastal Regions	59.3%	67.8%	48.2%	0.0%
Inland	40.7	32.2	51.8	100.0
Total Alaska	100.0%	100.0%	100.0%	100.0%

Source: Derived from information provided by Alaska Division of Game and Alaska Department of Commerce.

Place of Residence, Alaska Guides by Coastal Region and Community

Region	Master Guides	Registered Guides	Total Guides
Southeast	5	7	12
Juneau	2	3	5
Petersburg	1	3	4
Hoonah	1	-	1
Sitka	1	-	1
Haines	1	1	1
Gulf Coast	-	10	10
Cordova	-	5	5
Yakutat	-	2	2
Seward	-	2	2
Valdez	-	1	1
Cook Inlet	12	72	84
Anchorage	7	59	66
Homer	3	5	8
Kasilof	1	3	4
Kenai	-	3	3
Hope	1	1	2
Anchor Point	-	1	1
Kodiak	1	11	12
Kodiak	1	10	11
Old Harbor	-	1	1
BB, AP & AI	1	5	6
Port Heiden	-	2	2
Naknek	1	1	2
King Salmon	-	1	1
Cold Bay	-	1	1
Yukon-Kuskokwim Delta	0	0	0
Arctic	2	5	7
Kotzebue	1	2	3
Nome	-	1	1
Kobuk	-	1	1
Barrow	1	1	2
Total Coastal	21	110	131

Source: Derived from Alaska Department of Commerce information.

Alaska Resident and Non-resident
Harvest of Selected Big Game Species
(Number of)

Specie	Resident	Non-resident	Total
Brown-Grizzly Bear (1974)	285	482	767
Moose (1974)	4,591	1,048	5,639
Sheep (1974)	759	484	1,243
Black Bear (1973)	356	145	501
Goat (1974)	NA	NA	NA
Ducks	NA	NA	NA
Geese	NA	NA	NA

Alaska Resident and Non-resident
Harvest of Selected Big Game Species
(Percent of)

Specie	Resident	Non-resident	Total
Brown-Grizzly Bear	37.2%	62.8%	100.0%
Moose	81.4	18.6	100.0
Sheep	61.1	38.9	100.0
Black Bear	71.1	28.9	100.0

Brown - Grizzly Bear Harvest - 1974

Game Management	Unit	Resident	Non-Resident	Total	
Mainland SE	1	14	4	18	Coastal
Island SE	4	41	43	84	Coastal
Yakutat	5	13	0	13	Coastal
Prince William Sound	6	12	17	29	Coastal
E. Kenai Peninsula	7	0	0	0	Coastal
Kodiak	8	52	112	164	Coastal
Alaska Peninsula	9	26	114	140	Coastal
Aleutian Islands	10	5	0	5	Coastal
Wrangell Mts. (S)	11	2	12	14	Inland
Wrangell Mts. (N)	12	10	12	22	Inland
Copper Basin	13	38	33	71	Inland
Talkeetna-Palmer	14	3	0	3	Inland
W. Kenai Peninsula	15	6	2	8	Coastal
Susitna Valley	16	8	16	24	Inland
Dillingham	17	7	22	29	Coastal
Yukon-Kuskokwim Delta	18	0	0	0	Coastal
Kuskokwim River	19	9	48	57	Inland
Fairbanks	20	20	8	28	Inland
Yukon River	21	2	0	2	Inland
Seward Peninsula	22	8	2	10	Coastal
Kobuk	23	1	11	12	Coastal
Koyukuk	24	5	7	12	Inland
Porcupine	25	1	6	7	Inland
Arctic	26	2	13	15	Inland
Total		285	482	767	

Summary

Coastal	185	327	512
Inland	100	155	255
Total	285	482	767

Source: Division of Game harvest reports, 1974.
Note: This is an example of data used to locate areas of non-resident hunting activity for the purpose of estimating economic effects on communities in each coastal area.

CAMPING ACTIVITY

The largest type of camping activity is camping by use of vehicles. Data is available on this activity which is usually done in public facilities. In coastal Alaska the Alaska State Park System and the U.S. Forest Service keep records on campground use and these records were used to locate places of camping activity.

Campground data, remote cabin (U.S.F.S.) usage and information from the community survey were used for our ratings for economic effect on each community.

Over 2/3 of the State Park visitations occurred in what could be considered coastal areas. The Chugach and Kenai areas were heavily used followed by Southeastern and then Kodiak with very modest use volume. About 30% of State Park use was by non-residents.

Of total National Forest Campground usage, about 77% occurred in the Chugach National Forest and 23% in the Tongass National Forest. No resident/non-resident distinction is made in the data.

Use of remote cabins in the Tongass showed about 16% was non-resident based on a small sample of high-use cabins.

Campground use data are difficult to collect and are not statistically valid measures. However, they can be used to compare one local area to another or one region to another. In this way we locate high use areas and their impact on nearby

local economies. However, the data serves the purpose of locating camping activity and comparing one area or region to another.

Regional Distribution of Use
Alaska State Park Systems FY 1974

Region	Resident	Non-resident	Total	Percent
Southeastern	45,226	59,526	103,752	
Chugach	191,011	58,821	249,832	
Kenai	120,592	33,262	153,854	
Kodiak	5,561	1,852	7,413	
Coastal	362,390	153,461	514,851	68.7%
Copper Basin	12,749	10,463	23,212	
Mat-Sus.	65,418	12,340	77,758	
Interior	86,492	46,606	133,098	
Inland	164,659	69,409	234,068	31.3
Total	527,049	222,870	748,919	100.0%

Source: Alaska Division of Parks

U.S.F.S. Campground Data
Tongass and Chugach National Forests, 1973

	Campground	Visitor Days 1973
Tongass National Forest		
Ketchikan	Setters Cove	900
	Signal Creek	4,100
	Last Chance	2,000
	Three C's	200
Juneau	Auke Village	7,500
	Mendenhall	9,000
Petersburg	Ohmer Creek	700
Sitka	Sawmill Creek	2,700
	Starrigavon	1,500
Chugach National Forest		
Anchorage	Granite Creek	3,000
	Williwaw	4,100
	Black Bear	3,400
	Beaver Pond	2,000
	Beartha Creek	1,800
	Porcupine	5,300
	Tenderfoot	3,900
Kenai	Primrose Landing	2,200
	Ptarmigan Creek	7,300
	Crescent Creek	2,200
	Quartz Creek	13,700
	Cooper Creek	9,100
	Fern Lake	4,700
	Crescent Lane	200
	Trail River	9,200
	Russian River	23,800
Cordova	Cabin Lake	400

Tongass National Forest Total	28,600
Chugach National Forest Total	96,300
TOTAL	124,900

Source: U.S. Forest Service.

Remote Cabin Reservations U.S.F.S.,
Tongass National Forest Select Cabins, 1975

Cabin	Reservations		Total
	Resident	Non-resident	
----	53	19	72
----	162	23	185
----	65	9	74
----	144	15	159
----	100	22	122
----	95	21	116
----	99	25	124
	719	134	853
	84%	16%	100%

Source: U.S. Forest Service.

RATING THE ECONOMIC EFFECTS OF TOURISM ACTIVITIES

RATING THE ECONOMIC EFFECT OF TOURISM ACTIVITIES

This rating system is for the purpose of portraying what kind of tourism activities have economic effect on each community. A 0 rating indicates the activity has no effect, that it is absent from the local economy. A 1, 2 or 3 rating shows an activity is present and has some economic effect. A 3 rating represents the most effect which could be expected from that activity. A 2 represents considerable effect and a 1 indicates an activity is present but has only very modest economic effect.

The rating scale is as follows:

0 No economic effect from the tourism activity

1 Slight to moderate economic effect

2 Considerable economic effect

3 Maximum economic effect from the tourism activity when compared to other coastal communities

Let's use ferry traffic as an example. Haines and Ketchikan receive an equal number of ferry stops each year, yet Haines is a terminus for loading and unloading with more volume than any port but Juneau and thus receives a "3" rating for ferry impact. Ketchikan is more of a through stop and does not have near the proportion of tourist season loading and unloading activity as does Haines, plus Ketchikan's economy is larger than Haines' so the relative impact in Ketchikan is less. Ketchikan receives a "2" rating.

Fourteen tourism activities were selected for examination. We selected those we felt were the most common and those with the most impact economically, socially and environmentally.

When we rate the economic effect of the activity we are judging its total economic effect. For example, package touring economic effects includes the tour itself (air travel, hotels) expenditures in the economy by tourists (gifts, food) and expenditures by the tour operators (diesel fuel, dockage).

The fourteen tourism activities selected for estimating their economic impact are:

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1. PACKAGE TOURING: A package tour is a preplanned, organized tour which is purchased by the non-resident tourist before he leaves home. His itinerary, transportation and lodging are arranged in advance. There are also package tours within Alaska which can be purchased after arriving in the State. For example, for $209.00 a tourist can purchase a package tour of the Arctic which includes air fare Anchorage-Kotzebue-Nome and return to Anchorage, hotel and sightseeing. Both package tours originating outside Alaska and inside Alaska are included in these ratings.

Sample Effect Ratings:

0 - None, Cordova (medium economy). No known package tours of consequence include Cordova in their itinerary.

1 - Slight to moderate, Kenai (medium economy). Kenai

is included in one or two very small volume package tour options and economic impact is slight.

2 - Considerable, Barrow (medium economy). Arctic tour which includes Barrow is a popular package tour option. Effect is primarily Wein Alaska Airline revenue, then Barrow hotel, local tour and entertainment, minor shopping.

3 - Maximum expected - Anchorage (large economy). Every package tour itinerary includes 2 or 3 nights in Anchorage. The two most popular package tour options (Arctic and Columbia Glacier) are based there. Most foreign (mostly Japanese) package tours use Anchorage as a base.

2. CRUISESHIP TOURING: About 39,000 passengers entered Southeast Alaska in 1975, some on a straight round trip, others as one leg in an extended package tour of Alaska.

Sample Effect Ratings:

0 - None, Kodiak (medium economy). No ships call on this port.

1 - Slight to moderate, Haines (small economy). Four ships called with 1,440 passengers. Local shopping, tours, local entertainment, no overnight business.

2 - Considerable, Ketchikan (larger economy). Ninty-one calls with 31,976 passengers. Local shopping, local package tours and entertainment, some local

products, air and local charters, docking, minimal overnight business.

3 - Maximum expected, Juneau (larger economy). Received all 107 calls in 1975 with 38,856 passengers. Local shopping, local tours, air and boat charters, local products, docking, specialty businesses, some overnight business.

3. LOCAL TOURS: These include local bus sightseeing tours, entertainment, such as cultural dance performances and melodramas, charter boat tours like those in Kachemak Bay, flightseeing tours, an example of which is the Juneau ice cap tour, salmon bakes and the like.

This category often coincides with package tours because local tour options are commonly made available for package tour tourists. In some cases, a local tour is part of the package tour (St. Paul Island and Arctic tours) but most often they are options for purchase upon arrival in a community. Juneau, Anchorage, Fairbanks and Sitka have popular local tour options.

Sample Ratings for Local Tours:

0 - None, Hooper Bay. No local tour is available.

1 - Slight to moderate, Kodiak. Organized local bus tour is available, however, volume of tourists to Kodiak is modest, thus impact is slight.

2 - Considerable, Nome (medium economy). Local tour is included in Arctic package tour which is one

of the two most popular options in the State.

3 - Maximum expected. Juneau (larger economy). Juneau receives the maximum number of cruiseships and the local Mendenhall Glacier tour carries the majority of the 39,000 cruise passengers plus others. House of Wickersham tour, salmon bake, local boat tours and flightseeing tours are also available.

4. FERRY TOURING: The economic impact of ferry traffic was evaluated in this way. Assuming most tourist activity was in the June-September period, we calculated the percent of total annual traffic at each port which occurred during the tourist season and used it plus total volume to arrive at a 0, 1, 2 or 3 rating.

Samples of Ferry Traffic Impact Ratings:

0 - None, Kotzebue. No ferry scheduled.

1 - Slight, Sitka. Less than 50 percent disembarking passengers did so between June-September and passengers volume (around 3,000) was less than disembarked at Wrangell in-season.

2 - Considerable, Ketchikan. Over 54 percent of annual total was in season and in-season volume of disembarking passengers was 13,000. Both passenger and vehicle volume was less than major impacted ports of Juneau and Haines.

3 - Maximum Expected. Haines - Nearly two-thirds of annual Haines passenger traffic occurred in-season (66.1 percent). Passenger volume was exceeded only by Juneau. Haines has the largest in-season and annual vehicle totals.

5. SPORT FISHING UNASSISTED: This type of fishing is done without charter boats or fishing guides. Examples are stream fishing along highway system, renting boats without guides and beach fishing.

Sample Ratings:

0 - None, Unalaska. Tourism traffic of all kinds is negligible and little or no sport fishing occurs.

1 - Slight, Seldovia. Unassisted fishing probably occurs in the area, but not to the extent that tackle shops and boat rentals are available due to presence of non-residents or resident Alaskans who live elsewhere.

2 - Considerable, Valdez. Stream fishing and salt-water effort by unguided fishermen is considerable in the area. Also volume of Alaska and non-resident camper traffic is high, indicating sport fishing activity.

3 - Maximum Expected. Seward - Heavy effort occurs here by Alaskans and non-residents. Resurrection

Bay is 3rd largest sport fishery in State. Large boat harbor is available as are specialty businesses for fishing.

6. SPORT FISHING, GUIDED: This consists of saltwater charter boat fishing, fly-in guided fishing and remote lodges and camps where tourists are taken for premium fishing.

Sample Ratings:

0 - None, Point Hope. Negligible tourist flow here and major sport species are not available.

1 - Slight, Hydaburg. Negligible tourist flow but one charter boat is available for guided fishing and cruising.

2 - Considerable, Yakutat. Some guide services available for steelhead, salmon and trout. Both non-resident and Alaskans travel there for both guided and unassisted sport fishing.

3 - Maximum Expected. Ketchikan - there are several fishing lodges in the immediate area, 38 U.S.F.S. remote cabins, charter boats and fly-in charter opportunities.

7. BIG GAME HUNTING: This consists of non-resident hunting of major species of brown-grizzly bear, moose, sheep, black bear and goat plus waterfowl (ducks and geese). Fish and Game Department research and hunting report data used extensively. Hunting,

unassisted is shown in the table and is evident from examining non-resident data.

Sample Ratings:

0 - None, Bethel. Virtually no big game are taken in the coastal areas of the Yukon-Kuskokwim Delta and no registered guides reside in the vicinity.

1 - Slight to moderate, Port Graham. Some animals are taken on that end of the Kenai Peninsula and the community survey reported some hunting activity. Economic effect is probably close to zero but activity does exist in the area.

2 - Considerable, Cordova. Several registered guides live there and the Prince William Sound region in general has modest non-resident takes of moose, brown bear and black bear plus a large number of goat.

3 - Maximum Expected. Anchorage. Although the major non-resident hunting areas are the Alaska Peninsula and Kodiak, the lion's (pun) share of the outfitting, transportation and other economic effects of big game hunting is based in Anchorage. The Alaska Peninsula receives only slight economic impact from big game hunting. Fifty-nine registered guides and seven master guides are based in Anchorage and many more use Anchorage for

a base. The economic effect on a large economy like Anchorage is not heavy, but the largest amount of economic activity from big game hunting is there.

8. CAMPING: This includes primarily vehicles using public campgrounds plus use of cabins in the Tongass and Chugach National forests. State park and campground data was the primary source used to locate heavy use areas.

Sample Ratings:

0 - None, Port Alexander. No campgrounds, cabins or camping activity exist in the area.

1 - Slight to moderate. Sitka. Campgrounds are available but non-resident use is minimal.

2 - Considerable. Soldotna. There are several campgrounds in the general area.

3 - Maximum Expected. Homer. This is a destination area for campers and use of campgrounds and parking area is very extensive.

9. RECREATIONAL VEHICLE TRAVEL: Very similar to camping economic effects but includes in-transit effects of gas and auto services, groceries, restaurant meals, sporting goods, etc. Included only because some locations receive in-transit impact but the actual camping is located elsewhere.

Sample Ratings:

0 - None, Kotzebue. No road system available to carry traffic.

1 - Slight to moderate, Craig. Very little traffic but some does occur because of ferry connection to the Marine Highway System.

2 - Considerable, Kasilof. Considerable traffic exists in the area in pursuit of fishing and outdoor activity.

3 - Maximum Expected. Soldotna. Major through stop for R/V traffic on Kenai Peninsula.

Note: Little information was available and little research was done in this study on activities 10-14 which are independent touring, winter touring, skiing, miscellaneous outdoor activities and yachting. Thus sample ratings and information sources are not given. Ratings are based only on personal knowledge of several persons familiar with Alaska and these activities. Do not consider ratings for activities 10-14 as truly factual or based on research.

10. INDEPENDENT TOURING: This is touring similar to that done on package tours but done without prior organization. These are tourists traveling on their own.

11. WINTER TOURING: Prominent items here are special events such as festivals, dog sled and snowmobile races and slight Arctic winter tour traffic. One may wish to include conventions if conventioneers classify themselves as combining business and pleasure. Some non-residents travel to Alaska for winter

events but the volume is small compared to summer season travel. Occasional tourists visit the Arctic in winter but again not significant compared to summer traffic. No data available for winter tourism.

12. SKIING: By non-residents is concentrated at one resort with Japanese being the only significant non-resident market. Economic effects are confined to Girdwood and Anchorage. Local market is vast majority of skiing activity at Girdwood.

13. MISCELLANEOUS OUTDOOR ACTIVITIES: Hiking, canoeing, climbing, photo safaris, river boat journeys and kayaking are among these activities. Intuitively we think these activities are more extensive than in the past, but no statistics are available to qualify their extent. Our best guesses and personal knowledge is the basis for the ratings.

14. YACHTING: A questionable category but included as a coastal zone saltwater use.

Non-residents frequent Southeast Alaska in private motor and sailing vessels but no data clarifies the extent of this activity. U.S. Customs records vessels and persons but does not separate commercial craft and pleasure craft. Residents, generally from Anchorage and Fairbanks use their pleasure boats in Prince William Sound and Lower Cook Inlet.

The overall assessemnt of the economic effect of tourism

in each community is included on the left side of the table. It can be considered the cumulative effect on each local economy of all the activities.

RATINGS OF ECONOMIC EFFECTS OF SELECTED TOURISM ACTIVITIES
ALASKA COASTAL ZONE COMMUNITIES

REGION / LABOR AREA / Community	Zip	Overall Assessment of Tourism Economic Effect						Economic Effect Rating of Tourism Activities (Rated on Scale of 0-3)														
		None	Slight	Moderate	Significant	Heavy	Dominant	Cruiseship	Package Tours	Local Tours	Ferry Touring	Fishing Unassisted	Charter Fishing	Hunting Unassisted	Guided Hunts	R/V Travel	Camping	Independent Touring	Winter Touring	Skiing	Misc. Outdoor	Yachting
SOUTHEAST REGION																						
Prince of Wales Labor Area																						
Craig	99921		X					0	0	0	1	1	1	1	1	1	1	1	0	0	1	1
Hydaburg	99922		*					0	0	0	0	0	1	0	1	0	0	0	0	0	1	1
Kasaan	99924	*						0	0	0	0	1	0	1	0	0	0	0	0	0	0	1
Klawock	99925	*						0	0	0	1	1	1	1	1	1	1	0	0	0	1	1
Pt. Baker	99927		*					0	0	0	0	1	0	1	1	0	0	0	0	0	1	1
Ketchikan Labor Area																						
Hyder	99923		*					1	2	0	0	1	1	1	1	1	1	1	0	0	1	1
Ketchikan	99901			*	X			2	2	2	2	3	3	1	1	1	2	1	0	0	1	3
Metlakatla	99920-26	*						0	0	0	1	1	1	0	0	0	0	1	0	0	0	1
Meyers Chuck	99903	*						0	0	0	0	1	0	1	0	0	0	0	0	0	0	1
Wrangell/Petersburg Labor Area																						
Kake	99830	*						0	0	0	1	1	1	1	1	1	0	0	0	0	0	1
Petersburg	99833		X					0	1	1	2	1	2	1	1	1	1	1	0	0	1	2
Wrangell	99929		*	X				1	1	1	2	1	2	2	1	1	1	1	1	0	1	2

Legend:
X = Rating by community answering survey.
* = Rating of communities not replying to survey, done by author.
0 = No economic effect

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SOUTHEAST REGION																					
Sitka Labor Area																					
Angoon	99820		*					0	0	0	0	1	2	1	2	0	0	0	0	0	1	1
Sitka	99835			*	X			3	2	3	1	2	2	2	1	1	1	1	1	0	1	2
Tenakee	99841		*					0	0	0	0	1	1	1	1	0	0	0	0	0	1	1
Pt. Alexander	99834	*	X					0	0	0	0	1	0	0	0	0	0	0	0	0	0	0
Juneau Labor Area																					
Juneau	99801-2-11 21-24				X			3	3	3	3	2	3	1	2	1	2	2	0	0	1	3
Lynn Canal-Icy Straits Labor Area																					
Elfin Cove	99825	*						0	0	0	0	1	1	1	1	0	0	0	0	0	0	1
Gustavus	99826		*					0	0	0	0	1	2	1	1	0	0	0	0	0	1	0
Haines	99827				X[1]	X[1]		1	1	1	3	2	1	2	1	3	3	2	0	0	1	1
Hoonah	99829		*					0	0	0	1	1	2	1	2	0	0	0	0	0	0	1
Pelican	99832		X					0	0	0	0	1	1	1	1	0	0	0	0	0	0	1
Skagway	99840					X		3	3	3	3	1	1	1	0	2	1	2	1	0	2	1
GULF COAST REGION																					
Lynn Canal-Icy Straits Labor Area (Part)																					
Yakutat	99689			X				0	0	0	0	2	2	2	2	0	0	0	0	0	0	0

1. Haines City (significant) and Haines Borough (heavy) both reported. Kodiak City and Kodiak Borough both replied. Anchorage Borough (Moderate) and Anchorage City (Heavy) both replied prior to unification.

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GULF COAST REGION																					
Cordova-McCarthy Labor Area																					
Cordova	99574		X					0	0	0	1	1	1	2	2	1	1	0	1	0	1	1
Valdez-Chitina-Whittier Labor Area																					
Tatitlek	99677	*						0	0	0	0	1	0	0	0	0	0	0	0	0	0	1
Valdez	99686				X			0	2	1	3	2	1	0	0	3	3	1	0	0	1	2
Whittier	99501			X				0	0	1	2	3	2	1	0	0	0	1	0	0	1	3
Seward Labor Area																					
Seward	99664			X	*			0	1	1	1	3	3	1	1	3	3	1	0	0	1	3
ANCHORAGE-COOK INLET REGION																					
Anchorage Labor Area																					
Anchorage	99501-10			X[1]	*	X[1]		0	3	3	0	3	3	3	3	3	3	3	1	1	3	0
Girdwood	99587						X	0	3	2	0	1	1	1	1	3	2	3	1	3	3	0
Kenai-Cook Inlet Labor Area																					
Anchor Point	99556			*				0	0	0	0	3	1	0	1	3	3	2	0	0	1	0
English Bay	99695		*					0	0	0	0	1	0	1	0	0	0	0	0	0	0	1
Homer	99603					X		0	1	2	2	3	3	2	2	3	3	3	1	0	3	2
Hope	99605			*				0	0	0	0	1	0	1	1	2	2	1	0	0	2	0
Kachemak			*					0	0	0	0	2	1	2	1	2	2	1	0	0	2	1
Kasilof	99610		*					0	0	0	0	2	0	1	2	2	2	0	0	0	2	0
Kenai	99611		X	*				0	1	1	0	2	1	3	2	3	3	3	1	0	3	1

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Kenai-Cook Inlet Labor Area																					
Ninilchik	99639					*		0	1	0	0	3	1	2	1	3	3	2	0	0	3	0
Port Graham	99695		X					0	0	0	0	1	1	1	1	0	0	0	0	0	0	1
Seldovia	99663		*					0	0	0	1	1	1	1	1	1	1	1	0	0	1	1
Soldotna	99669			*				0	1	1	0	3	1	2	1	3	3	2	1	0	3	0
Tyonek	99682		*					0	0	0	0	0	0	1	1	0	0	0	0	0	0	0
KODIAK REGION																						
Kodiak Labor Area																						
Akhiok	99615	X						0	0	0	0	1	0	0	1	0	0	0	0	0	0	0
Kaghyak	99697	*						0	0	0	0	1	0	0	0	0	0	0	0	0	0	0
Karluk	99608	*						0	0	0	0	1	0	1	1	0	0	0	0	0	0	0
Kodiak	99615		*	X[1]				0	1	1	1	1	1	3	3	1	1	1	0	0	0	0
Larsen Bay	99624	X						0	0	0	0	0	0	0	1	0	0	0	0	0	0	0
Old Harbor	99643	*						0	0	0	0	0	0	1	1	0	0	0	0	0	0	0
Ouzinkie	99644	*						0	0	0	0	1	0	1	1	0	0	0	0	0	0	0
Port Lions	99550		*					0	0	0	1	1	0	1	1	0	0	0	0	0	0	0
Uyak	99697	*						0	0	0	0	1	0	0	1	0	0	0	0	0	0	0

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BRISTOL BAY-ALASKA PENINSULA REGION																					
Bristol Bay Labor Area																					
Belkofski	99695	*						0	0	0	0	0	0	0	0	0	0	0	0	0	0
Chignik & Chignik Lagoon	99564-5		*					0	0	0	0	0	0	0	1	0	0	0	0	0	0
Clarks Point	99569	*	X					0	0	0	0	0	1	0	0	0	0	0	0	0	0
Cold Bay	99571		*					0	0	0	0	0	0	0	1	0	0	1	0	0	0
Dillingham	99576		X					0	0	0	0	1	2	1	1	0	0	1	0	0	0
Egegik	99578	*						0	0	0	0	0	0	0	0	0	0	0	0	0	0
Ekuk	99695	*						0	0	0	0	0	0	0	0	0	0	0	0	0	0
Ivanoff Bay	99502	X						0	0	0	0	0	0	0	0	0	0	0	0	0	0
King Cove	99612	X						0	0	0	0	0	0	0	1	0	0	0	0	0	0
King Salmon	99613			*				0	2	0	0	1	2	1	2	0	0	1	0	0	0
Levelock	99625	*						0	0	0	0	0	0	0	0	0	0	0	0	0	0
Manokotak	99628	X						0	0	0	0	0	0	0	0	0	0	0	0	0	0
Naknek	99633 & 70		*					0	0	0	0	1	1	1	2	0	0	0	0	0	0
Nelson Lagoon		*						0	0	0	0	0	0	0	0	0	0	0	0	0	0
Perryville	99648	*						0	0	0	0	0	0	0	0	0	0	0	0	0	0
Pilot Point	99649	*						0	0	0	0	0	0	0	1	0	0	0	0	0	0
Port Heiden	99695		*					0	0	0	0	0	0	1	2	0	0	0	0	0	0
Port Moller	99695	*						0	0	0	0	0	0	0	1	0	0	0	0	0	0
Sand Point	99661		X					0	0	0	0	0	1	0	1	0	0	1	0	0	0
Squaw Harbor	99695	*						0	0	0	0	0	0	0	0	0	0	0	0	0	0
Togiak	99678		X					0	0	0	0	0	1	0	0	0	0	1	0	0	0
Twin Hills		*						0	0	0	0	0	0	0	0	0	0	0	0	0	0
Ugashik	99683	*						0	0	0	0	0	0	1	1	0	0	0	0	0	0
Unga		*						0	0	0	0	0	0	0	0	0	0	0	0	0	0

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ALEUTIAN ISLANDS REGION																					
Aleutian Islands Labor Area																					
Adak	998791 or 99695	*						0	0	0	0	0	0	0	0	0	0	0	0	0	0
Akutan	99553	X						0	0	0	0	0	0	0	0	0	0	0	0	0	0
Atka	99695	X						0	0	0	0	0	0	0	0	0	0	0	0	0	0
Atu	99695	*						0	0	0	0	0	0	0	0	0	0	0	0	0	0
Biorka		*						0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cape Sarichef	99695	*						0	0	0	0	0	0	0	0	0	0	0	0	0	0
Clam Lagoon		*						0	0	0	0	0	0	0	0	0	0	0	0	0	0
Dutch Harbor	99695	*						0	0	0	0	0	0	0	0	0	0	0	0	0	0
False Pass	99583	*						0	0	0	0	0	0	0	0	0	0	0	0	0	0
Fort Glenn		*						0	0	0	0	0	0	0	0	0	0	0	0	0	0
Mt. Moffet		*						0	0	0	0	0	0	0	0	0	0	0	0	0	0
Nicolski	99638	*						0	0	0	0	0	0	0	0	0	0	0	0	0	0
Pavloff Harbor	99646	*						0	0	0	0	0	0	0	0	0	0	0	0	0	0
St. George	99695		*					0	0	0	0	0	0	0	0	0	0	0	0	0	0
St. Paul	99660		X	*				0	2	0	0	0	0	0	0	0	0	1	0	0	0
Shemya	99697	*						0	0	0	0	0	0	0	0	0	0	0	0	0	0
Unalaska	99685	*						0	0	0	0	0	0	0	0	0	0	1	0	0	0

RATINGS OF ECONOMIC EFFECTS OF SELECTED TOURISM ACTIVITIES
ALASKA COASTAL ZONE COMMUNITIES

REGION / LABOR AREA / Community	Zip	Overall Assessment of Tourism Economic Effect						Economic Effect Rating of Tourism Activities (Rated on Scale of 0-3)														
		None	Slight	Moderate	Significant	Heavy	Dominant	Cruiseship	Package Tours	Local Tours	Ferry Touring	Fishing Unassisted	Charter Fishing	Hunting Unassisted	Guided Hunts	R/V Travel	Camping	Independent Touring	Winter Touring	Skiing	Misc. Outdoor	Yachting
YUKON-KUSKOKWIM DELTA REGION																						
Bethel Labor Area																						
Bethel	99559	X						0	0	0	0	1	0	0	0	0	0	1	0	0	0	0
Chefornka	99561	X						0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Eek	99578	*						0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Goodnews Bay	99589	*						0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Kipnuk	99614	*						0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Kongiganak	99559	X						0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Kwigillingok	99622	*						0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Mekoryuk	99630		*					0	0	0	0	0	0	0	1	0	0	1	0	0	0	0
Napakiak	99634	X						0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Napaskiak	99559	X						0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Newtok	99559	*	X					0	0	0	0	0	1	0	0	0	0	0	0	0	1	0
Nightmute	99690	*						0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Oscarville	99559	*						0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Platinum	99651	*						0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Quinhagak	99655	X						0	0	0	0	1	0	0	0	0	0	0	0	0	0	0
Toksook Bay	99637	*						0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Tuntutuliak	99680	X						0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Tununak	99681	*						0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

RATINGS OF ECONOMIC EFFECTS OF SELECTED TOURISM ACTIVITIES
ALASKA COASTAL ZONE COMMUNITIES

REGION / LABOR AREA / Community	Zip	Overall Assessment of Tourism Economic Effect						Economic Effect Rating of Tourism Activities (Rated on Scale of 0-3)														
		None	Slight	Moderate	Significant	Heavy	Dominant	Cruiseship	Package Tours	Local Tours	Ferry Touring	Fishing Unassisted	Charter Fishing	Hunting Unassisted	Guided Hunts	R/V Travel	Camping	Independent Touring	Winter Touring	Skiing	Misc. Outdoor	Yachting
YUKON-KUSKOKWIM DELTA REGION																						
Wade-Hampton Labor Area																						
Alakanuk	99554	*	X					0	0	0	0	0	1	0	0	0	0	1	0	0	1	0
Chevak	99563	*						0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Emmonak	99581		X					0	0	0	0	0	0	0	0	0	0	1	0	0	0	0
Hooper Bay	99604	*						0	0	0	0	0	0	0	0	0	0	1	0	0	0	0
Kotlik	99620	*						0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Scammon Bay	99662	*						0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sheldon Point	99666	*						0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SEWARD PENINSULA AND KOBUK REGION																						
Nome Labor Area																						
Brevig Mission	99785	*						0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Diomede (Inalik)	99762	X						0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Elim	99739	*						0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Gambell	99742	*						0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Golovin	99762	*						0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Koyuk	99753	*						0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Nome	99762			X				0	2	2	0	0	0	0	1	0	0	1	1	0	0	0
St. Michael	99659	*						0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Savoonga	99769	X						0	0	0	0	0	0	0	0	0	0	1	0	0	0	0
Shaktoolik	99771	*						0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Shishmaref	99772	*	X					0	0	0	0	0	0	0	0	0	0	1	0	0	0	0

RATINGS OF ECONOMIC EFFECTS OF SELECTED TOURISM ACTIVITIES
ALASKA COASTAL ZONE COMMUNITIES

REGION / LABOR AREA / Community	Zip	Overall Assessment of Tourism Economic Effect						Economic Effect Rating of Tourism Activities (Rated on Scale of 0-3)													
		None	Slight	Moderate	Significant	Heavy	Dominant	Cruiseship	Package Tours	Local Tours	Ferry Touring	Fishing Unassisted	Charter Fishing	Hunting Unassisted	Guided Hunts	R/V Travel	Camping	Independent Touring	Winter Touring	Skiing	Misc. Outdoor	Yachting
Nome Labor Area																					
Stebbins	99671	*						0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Teller	99778		*					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Unalakleet	99684	*						0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Wales	99783	*						0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
White Mtn.	99784	*						0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Kobuk Labor Area																					
Buckland	99727	*						0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Deering	99736	*						0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Kivalina	99750	X						0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Kotzebue	99752			X				0	2	2	0	0	1	0	1	0	0	0	1	0	0	0
Noorvik	99763	*						0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Point Hope	99766		*					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Selawik	99770		X					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
ARCTIC OCEAN COAST REGION																					
Barrow Labor Area																					
Barrow	99723			*	X			0	2	2	0	0	0	0	1	0	0	1	1	0	0	0
Barter Island (Kaktovik)	99747	*						0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cape Lisbourne	99790	*						0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Nooiksut		*						0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Point Lay	99790	*						0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Wainwright	99782		*					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

PART III

SUGGESTIONS FOR GENERATING ECONOMIC INFORMATION ON TOURISM

PART III

SUGGESTIONS FOR GENERATING ECONOMIC INFORMATION ON TOURISM

Introduction

A significant finding of this study is that no real system, method or program for measuring tourism exists in Alaska. Part III of the study suggests a system for generating economic information in the event the State or private sector chooses to develop a program in the future.

Future research programs for generating information and data would be most useful if they were based on the Standard Industrial Classifications (SIC) system. Then any tourism economic data would be compatible with all other major sources of economic data. National, statewide, regional and even some local economic data are based on the SIC system.

Any tourism research could then be compared to existing SIC data and a great deal could be learned about its economic effects. Employment, wages and business volume are examples of information which could become known.

Part III contains an actual example of using existing SIC data to generate data on tourism. The finding was that tourism-related employment in Alaska pays an average monthly wage of $816 (3rd quarter, 1974) compared to the Alaska average of $1,207 (annual monthly average, 1974) for all employment.[1]

1. Source: Alaska Department of Labor, Statistical Quarterlies, 1974.

In addition, Part III discusses several sources of data based on the SIC system which could be useful in tourism economic research. An evaluation of past Alaska tourism studies and a bibliography are also included.

Suggestions for Generating Economic Information on Tourism

Summary

1. Economic research on tourism should be conducted to tie in with the Standard Industrial Classification System.
2. A definition for tourist should be decided upon.
   A definition for tourism industry should be decided upon.
   (Both of these are necessary before research can be conducted.)
3. The most useful kinds of information which should be generated are:
   - the proportions of major traffic flows which are tourist
   - the proportions of tourism industry SICs, which are tourist business.

Suggestions for Generating Useful Economic Information on Tourism

Preliminary Discussion

Information on tourism or on any economic force has meaning and is useful only if it relates to other things with which we are concerned. Most information developed on tourism in Alaska in the past has been of the unrelated variety. Most states also produce this type of information, usually the number of tourists, how much they spent and possibly the number of jobs associated with tourism. As is, this information has little meaning or usefulness. It doesn't relate to other areas of concern.

A parallel could be drawn with astronomy. The fact that there are, say, 16,280,000,000 stars in the sky is of interest but is not really meaningful. But if astronomers announce that one of them is scheduled to collide with the Earth in 1984, that information is meaningful and useful. It relates to something of concern to us.

Likewise if tourism results in 265,000 tourists spending $88,000,000 in Alaska, this is interesting but not really meaningful or useful. However, if tourists are known to comprise 90% of the State ferry traffic or account for 20% of sales tax collections in Sitka that information is meaningful and useful to the management of the ferry system or to the Sitka City Council. They can make decisions based on this information since it is relevant to ferry revenue, schedules and public subsidy for ferries. Sales tax is relevant to the Sitka City budget.

The State administration, coastal zone management people and local governments would be beneficiaries of information on tourism for two principal reasons:

1. Tourism is very reliant on the natural features and resources of Alaska's environment, especially those in the coastal zone, to provide the attractions necessary for the economic existence of tourism.
2. Transportation modes and facilities are almost all publicly subsidized and tourism is a heavy user of these.

Thus, information which leads to determining the costs and benefits of tourism also leads to intelligent decisions in environmental policy, resource management and certain public works investments.

The suggested system which follows is an attempt to generate relevant information which has meaning and is useful.

Economic Research on Tourism Should be Conducted to tie in with the Standard Industrial Classifications System

If this were done, then tourism could be measured as an economic influence in terms of many statistically valid sets of economic data. Tourism per se has no SIC of its own but every significant category of business which sells to tourists has a Standard Industrial Classification.

Research is necessary to relate tourism with the SIC's which it affects. Then tourism economic values can be expressed in terms of existing SIC's. Tourism research and every other type of economic data would have the common denominator necessary for relevance and meaning.

All economic analysis of substance is conducted using information generated on the basis of the Standard Industrial Classification system. Since statehood no tourism research attempts have done this. That is why no past tourism information can be considered particularly valid or useful.

Here are some types of economic information and analysis which use the SIC system and which would become relevant if tourism research were conducted on an SIC basis:

Alaska Labor Force Estimates and Statistical Quarterly. All Alaska employment, employer and wage data published in the Alaska Department of Labor is on the SIC system. This is collected by 24 labor areas in Alaska and is detailed by as many as 65 industrial classifications in the seven largest labor area.

U.S. Census of Business: This is conducted every 5 years,

the next one in 1977, and reports business volume in a large number of SIC's for many Alaskan cities as well as the entire nation.

Alaska Gross Businesses Receipts. Businesses in Alaska must report their gross revenue (receipts) for payment of the business license tax. Available by 71 SIC's and 129 municipalities.

Alaska Gross Product. This type of economic analysis is performed by the University of Alaska, sometimes used for projections of population and employment. Only uses major SIC's but includes data for seven regions.

Industrial Directory of Employers. Alaska employers which make up the Department of Labor employment and wages data are listed by SIC.

Alaska Business License Directory lists every business license holder by name and zip code and by 71 SIC's.

A Brief Outline of How it Could be Done. For purposes of research the tourism industry could be defined as the several major SIC's which are most affected by tourism. Certificated air carriers (451), non-resident air carriers (452), hotels, tourist counts and motels (701) and gasoline service stations (554) are a few examples of these. Thus, the tourism industry would have a definition consisting of a list of industries which do business with tourists. From existing data systems we already have extensive data on the number of businesses the numbers of employees, their total and average monthly wages and the location of these businesses which constitute our tourism industry as defined.

Once the tourism industry is defined the next step would be to perform research. The objective of the research would be to find the proportion of business in each tourism industry SIC which is tourist business. The research design which would achieve this objective could probably be refined to an economically feasible task of sampling. In other words, the information could probably be obtained without a massive expenditure of manpower and money.

The end result could be information such as: "30% of the hotel, tourist count and motel industry (SIC 701) business in the Anchorage labor area in 1974 was tourist business." Thus, we finally have a measure of the significance of tourism to one sector of the economy. Since we already know a great deal about this sector from existing SIC data, it is an easy matter to estimate employment, wages and business volume resulting from tourists. This way we can make reasonable statements about the economic effect of tourism on one sector of the economy in one specific labor area. This same thing could be done to all the sectors of the economy and labor areas which are considered tourist-affected to any significant degree.

The final result will tell us what the significance of tourism is in relation to something which has meaning such as the airline industry and its Alaskan employment of some 3,500 persons.

Another problem to be solved is the definition problem of the word tourist. This is essential before conducting research on the state, regional or local level. A possible definition for tourist is discussed in the following section.

Settling on a Definition of "Tourist"

Before we can study tourism and its economic effects we need to decide what we mean by tourist. Part I states there is no universal definition for tourist, there is a variety of definitions among states, there are at least two definitions in use in Alaska and there have been others used in Alaska in the past.

The definition of tourist varies with who uses it.

The Division of Tourism uses "a non-resident traveling to Alaska with pleasure as a major purpose of his travel and staying overnight." The reason for this defintioin is that it describes the people whom the Division of Tourism is attempting to attract to Alaska by means of its promotional programs.

The Alaska Visitor's Association is interested in any source which brings business to its diverse membership. For this reason they include in their definition of "visitor" anyone over 50 miles from home for whatever reason regardless of residency or duration of travel.

The Division of Game is concerned with resident and non-resident status of hunters because of licensing and guiding differences between the two groups. They are concerned with the nature of these groups which are controlled by regulations.

The Division of Sport Fish is primarily concerned with anyone fishing for the purpose of pleasure. They must manage the sport fish resource and are concerned with people who catch

fish and not necessarily just non-residents staying overnight as in the Division of Tourism definition.

From the standpoint of individual communities the resident/non-resident distinction is not all that important. A camper is a camper in the eyes of the Homer City Planner, whether the camper is from Anchorage or Michigan. There's not enough parking places on the Homer Spit regardless of where the campers are from. The same applies to the people of Yakutat when steelhead fishermen fly into town. The impact on the economy and the fish stocks is probably the same whether the fisherman is from Anchorage or Oregon.

Conclusions About Definitions of "Tourist"

It may be more useful for the State to have one definition which would be concerned primarily with non-residents and for communities to have another definition which would be broader and would include non-residents of the immediate area whether Alaskans or others.

By "State" in this case is meant the policy development agency and the Division of Tourism which would logically implement policy in the event a State "tourism policy" were ever to exist.

The reason it may be best for the State to concern itself with tourism in the non-resident overnight and pleasure definition is the State has some measure of control over this type of tourism.

The State of Alaska has some means to control the volume and quality of non-resident tourism. It already does so in some instances, for example:

License fees and guiding requirements encourage only the most economically capable non-residents to take big game animals. This is control of quality of tourism.

The Division of Tourism advertises for tourists to come to Alaska. This increases tourist volume and indicates the State favors a growth policy for non-resident tourism.

The Division of Tourism advertises specifically to persons most likely to use an airline or cruiseship under the assumption these people contribute more to the Alaskan economy. This is a means of controlling tourism qualtiy.

Non-resident use of sport fish resources and campgrounds could be retarded by excessive license fees or permits if such was desirable. Presently both sport fishing and camping are real bargains for non-residents.

In summary, the State could concern itself with non-resident tourism and effectively implement a policy because it has some means of direct control.

Conversely, the State does not have much control over resident tourism. Resident tourism is a function of population growth which is determined by the type and amount of economic developments which occur in other industries. For example, population growth in Anchorage is a result of oil and related developments in the State. A side effect of this growth has been the large increase in resident tourism to the Kenai Peninsula. This has placed more pressure on fish, game and public facilities plus economic impact on the communities of the Kenai Peninsula.

Thus, the only control of resident tourism is control of the developments which change the State's population.

Communities have less control over both non-resident and resident tourism. Individuals both within and outside of a community can take actions which can manage tourism volume and quality. The construction of a hotel is a draw for increased tourism, for example.

The need for communities is to plan for tourism development be it of the resident or non-resident variety. The impact is much the same at the community level regardless of whether the camper is from Anchorage or Michigan. And it is difficult for a single community to control the volume and quality of either.

Thus, if a community's definition included all forms of tourism which may affect it, they will have better information for planning purposes. Perhaps the definition used in the community survey cover letter in Part II is most useful for communities.

On the other hand, if the States defintiion included only the kind of tourism (non-resident, overnight, pleasure) which is most controllable, it would have better information for policy purposes. Perhaps the existing Division of Tourism definition would be most useful to the State.

Employment Characteristics of Tourism-Affected SIC's

The following analysis was done to show an example of using SIC system employment data to analyze tourism. The following tables compare employment and wages of the total Alaskan economy and those in the most tourist affected sectors.

Please note that only some unknown portion of employment in tourist-affected sectors is actually attributable to tourist economic activity.

SEASONAL EMPLOYMENT CHANGES

Employment	Average Monthly Emp. 1974	3rd Quarter 1974 - Only	Percent Difference (Ave. 1974 and 3rd Quarter 1974)
In Tourist-Affected SIC's	16,669	18,829	+13.0%
All Other SIC's	111,510	118,910	+ 6.6%
Total	128,179	137,739	+ 7.5%

WAGE COMPARISONS

Employment	Average Monthly Wage, 1974 3rd Quarter Only
In Tourist-Affected SIC's	$ 816
All Other SIC's	1,471
Average, All Employment	$1,381

Source: Statistical Quarterlies, Alaska Department of Labor.

These statistics lead to two obvious conclusions:

1: Employment in tourist affected sectors is considerably more seasonal than employment in the rest of the State's economy.

Third quarter employment rose 13 percent over the year's average in tourist affected sectors while it rose only 6.6 percent in the rest of the economy.

2: Employment in tourist affected sectors is considerably lower paying than in the Alaskan economy as a whole. It paid an average of $816 per month compared to $1,471 for the rest of the economy and $1,381 overall average in the 3rd quarter of 1974. Annual average for all employment in 1974 was $1,207 per month.

EMPLOYMENT AND AVERAGE MONTHLY WAGE IN
3-DIGIT, TOURIST-AFFECTED SIC'S
ALASKA, 1974

Code	Standard Industrial Classification	Average Mo. Employment 1974	Average Mo. Employ. 3rd Quarter Only	Average Mo. Employ. 3rd Quarter Only
411	Local & Suburban Transportation	108	103	$ 881
412	Taxicabs	368	366	574
413	Intercity Highway Passenger (bus)	50 est.	90	992
444	Trans. on Rivers & Canals	174	269	1,674
445	Local Water Trans.	42	53	1,418
451	Certificated Air Carriers	2,616	2,939	1,352
452	Non-certificated Air Carriers	1,126	1,427	1,437
458	Fixed Air Facilities & Services	238	234	998
472	Arrangement of Trans.	204	257	783
554	Gasoline Service Stations	1,004	1,112	626
58	Eating & Drinking Places	4,937	5,432	567
59	Misc. Retail Stores	2,231	2,307	812
701	Hotels, Tourist Courts, Motels	2,336	2,935	537
72	Personal Services	866	866	637
751	Auto Rentals	139	150	616
794	Sports, Amusement, Recreation	231	289	519
84	Museums, Botanical Gardens	---	---	---
Totals		16,669	18,829	$ 816

Source: Statistical Quarter, 3rd Quarter 1974, Alaska Department of Labor.

Possible Use of Labor Area Employment Data

Employment data in Alaska is compiled by labor areas which coincide closely with the State's census divisions. There are 24 LA's in Alaska, of which 20 are coastal, either all or in part.

The Alaska Department of Labor, Employment Security Division, Research and Analysis Section, publishes Labor Area data quarterly, in detail, and annually in summary form.

Every one of the 24 LA's has data on average monthly employment, monthly wage and salaried payroll for each of ten general Standard Industrial Classifications.

These are:

Mining

Contract Construction

Manufacturing

Transportation, Communications and Public Utilities

Trade

Finance, Insurance and Real Estate

Services

Federal Government

State and Local Government

Miscellaneous and Unclassified

As can be seen, separating tourism effects from these general classifications would be very difficult.

However, further detailed employment and wage data is available for the seven largest LA's, six of which are coastal.

These LA's are Anchorage, Fairbanks, Juneau, Kenai-Cook Inlet, Ketchikan, Kodiak and Sitka. These six coastal LA's accounted for 78,264 of 103,249 total coastal employment or 76 percent of all coastal employment in 1974. The remaining 14 coastal LA's comprised 24 percent of coastal employment.

Instead of ten classifications, employment and wages in these seven LA's are known for up to 65 Standard Industrial Classifications plus totals for the ten general classifications. Some of these 65 classifications are significantly affected by tourism. Air transportation, transportation services, miscellaneous retail stores (which includes gift shops) hotels, motels and lodges (one classification) and eating and drinking places are examples of classifications in which employment and wage data are known.

The following table shows average monthly employment and wages in the most tourist affected areas of the economy. This data is for total Alaska in 1974.

	1974 Ave. Monthly Employment	Total Payroll Annual	Ave. Monthly Wage
Alaska Total	128,179	$1,856,064,730	$1,207
Water Transportation	1,043	15,494,693	1,238
Air Transportation	3,974	62,497,693	1,310
Other Transportation	1,332	11,240,621	704
Automotive & Ser. Stations	2,575	29,551,169	956
Eating & Drinking Places	4,937	33,047,320	558
Other Retail	3,432	37,227,513	904
Hotels, Motels, Lodges	2,513	17,086,242	567
Personal Services	866	6,554,829	631
	20,639		$ 859

Within each of these classifications some employment could be attributable to tourism just as some could be attributed to local residents, businesses, governments, oil companies, and so on.

For this study we are only considering the income and employment characteristics of classifications obviously affected by tourism.

By working with 1974 statewide data we can estimate about 16,700 employees work in classifications affected by tourism, but there is no indication what proportion may be due to tourism. Judging from the business license analysis the proportion is likely to be small.

In the example, wages and employment for tourism-affected sectors is examined in more detail. This is the reason why wage and employment figures differ between this table and the table of 17 tourism-affected SIC's in the example.

Alaska Gross Product

Another set of data is Alaska Gross Product which is computed by the University of Alaska. Basically AGP is the value of the production of goods and services within Alaska.

The following table shows some general tourist-affected SIC's and their magnitude in relation to other sectors and the total economy.

Alaska Gross Product is probably the best indicator of value to the Alaskan economy of each production function. However, this economic work is not available in the detail of other types of economic information such as employment.

AGP is included here only as another example of SIC-based data.

ALASKA GROSS PRODUCT IN CURRENT DOLLARS
BY INDUSTRY, 1973
(Millions of Dollars)

	Region							
	N.W.	S.W.	S.E.	S.Cen.	Anch.	Int.	Fbks.	State
ALL INDUSTRIES	79.2	150.1	408.5	445.0	1240.6	63.7	369.2	2756.3
AGRI, FORESTRY & FISHERIES	--	14.8	23.1	42.8	.4	0	--	81.6
MINING	17.1	1.8	3.6	200.6	63.2	15.2	7.5	309.0
MINING CONTRACT CONSTRUCTION	7.1	11.0	48.6	22.8	131.9	5.7	42.1	269.2
MANUFACTURING	--	23.8	94.0	46.2	25.4	0	--	194.1
Food & Kindred Products	--	--	11.9	37.8	6.8	0	1.0	81.3
Lumber & Wood Products	--	--	80.6[a]	1.2	1.3[a]	0	--	45.5
Paper & Allied Products	--	--		0		0	0	38.0
Other Manuf.	--	--	1.5	7.2	17.3	0	3.3	29.3
TRANSP., COMMUN., PUBLIC UTILITIES	--	--	41.6	27.7	135.6	22.6	37.8	296.7
Transportation	--	--	23.6	8.8	69.0	--	21.5	134.8
Air Transp.	2.4	3.5	7.6	2.4	45.8	.4	14.4	76.5
Oth. Transp.	--	--	16.0	6.4	23.2	--	7.1[d]	58.3
Communications	10.8[d]	--	12.4	8.8	39.6	--	16.3[d]	107.1
Public Utilities	--	--	5.6	10.1	27.0	--	--	54.8
TRADE	--	9.5	39.4	21.1	200.0	--	45.5	320.2
Wholesale Trade	--	--	6.5	3.4	72.7	--	11.5	99.9
Retail Trade	--	--	32.9	17.7	127.3	--	34.0	220.3
FINANCE, INSURANCE, REAL ESTATE	4.3	--	23.8	10.4	158.3	--	27.0	226.3
SERVICES	8.9	4.8	21.3	16.8	124.3	1.9	40.9	218.0
Hotels, Motels & Lodges	--	--	3.5	2.7	9.5	.9	3.1	20.3
Personal Services	--	--	1.3	.4	8.0	--	1.8	11.5
Business Services	--	1.1	1.2	3.2	14.7	--	5.3	27.0
Medical Services	--	--	4.8	4.6	32.6	--	9.3	53.3
Other Services	7.1	2.3	10.5	5.9	59.5	.1	21.4	106.8
GOVERNMENT	21.5	66.9	113.1	56.6	401.5	17.4	163.3	840.3
Fed. Government	11.9	54.1	35.7	17.5	281.5	12.5	102.6	515.8
State & Local Government	9.6	12.8	77.4	39.1	120.0	4.9	60.7	324.5

Summary and Evaluation of Major
Alaska Tourism Studies, 1960-1975

Tourist Industry in Alaska, V. R. Kiely and J. M. Hilpert. University of Alaska for the Small Business Administration, March, 1961.

A two-part 240-page study consisting of an outbound visitor survey and an inventory of visitor facilities and attractions in 22 communities. Surveyed over 5,000 parties traveling by highway, airline and cruiseship. Data provided on demographics of travelers, travel patterns, likes/dislikes, purpose of travel, origin, activities and evaluation of vacation experience. No attempt made to measure traffic volume or economic effects in this study. Survey taken from June 15 - September 15, 1960.

Alaska Passenger Traffic Survey, 1961, Department of Economic Development and Planning, September, 1962.

A brief summary of inbound and outbound passenger traffic by month for 12 months of 1961, comparing it to traffic in 1960. Traffic volume is included for Alaska highway, Haines highway, airline, railroad and steamship. No data is provided on tourist traffic or economies. The 1961 edition was one of several annual traffic surveys.

Traveler Profiles, A Study of Summer Travel to Alaska During 1963 and 1964, by Charles E. Hinkson, Department of Economic Development and Planning, December, 1964.

This is the single most comprehensive tourism research effort done in Alaska. Information and data cover demographics,

likes/dislikes travel patterns, expenditures per party and traffic volume estimates by purpose and mode. The publication is only 57 pages and provides little information on methodology and sample sizes so no judgement of its statistical quality can be made.

Expenditures per party are estimated by travel mode and purpose of travel. Breakdown of expenditures is provided for transportation, lodging, food, gifts, amusement and other.

Estimates of traffic volume were made by mode and purpose of travel.

The importance of this study is that it contains the only published tourist expenditure research ever done in Alaska. All estimates of tourist expenditures since 1964 have been based on this work. Unfortunately, no description of methodology or statistical evidence is available to confirm or deny the validity of this data.

A Program for Increasing the Contribution of Tourism to Alaskan Economy, by Cresap, McCormick and Paget, Management Consultants. Prepared for the Economic Development Administration and Alaska Travel Division, December, 1968.

This was a voluminous $225,000 study with the purpose of suggesting courses of action which the State of Alaska could pursue to increase the contradiction of tourism to the economy. The major emphasis of the study was not research into the volume and economic magnitude of tourism, a common misunderstanding.

Instead it projected the need for additional facilities and their locations, suggested promotional programs, discussed transportation, recommended production and distribution of tourist merchandise and even provided architectural drawings and financial statements for prototype tourist facilities.

The study did make estimates of tourist volume, spending and employment. But these were not based on original research. Instead, Traveler Profiles was used as a basis for volume and spending estimates, along with interviews of industry personnel. Employment was derived from standard ratios of business volume to jobs which may or may not apply to Alaska tourism.

The importance of this study was in the program it suggests but it was not a document containing economic research into tourism. All volume, expenditure and employment estimates since 1967 have been based on those in this study.

Purpose of Travel and How it Affected Alaska's 1972 Summer Transportation, by Robert Dindinger for the Alaska Division of Tourism, January 1973.

A milestone study which contains the first estimates of tourist and total traffic volume into Alaska based on original research. Other studies have not dealt with both tourist and total traffic or else they have not used original research. This study allows a measure of tourism in relation to total traffic.

The survey included over 80,000 persons surveyed when entering Alaska by highway, marine highway, airline and cruiseship. These results were then applied to known traffic totals to provide estimates of volume by month from May through September and by purpose of travel.

No demographic or economic data was collected. The purpose of the study was simply to measure tourist volume.

This study is important because it provides the first good, verifiable estimates of tourist volume and relates them to traffic volume. Total traffic volume is already recorded by many existing data systems so now tourism can be expressed as a proportion of total traffic. The study is also based on a definition of "tourist" which could be useful in economic analysis.

Unfortunately, this was a one-shot effort, as good as it was, for 1972 traffic. This means that changes in the Alaskan economy since 1972 have rendered the study impractical for existing tourist volume.

Alaska Tourism in the Bush, Division of Policy Development and Planning, State of Alaska, June, 1975.

This 43-page work examines the social, economic and environmental costs and benefits of tourism. It does so in order to address the question of the State providing grants or loans for transportation and utility installations (called infrastructure facilities) in remote areas of Alaska for the purpose of enhancing tourism.

In spite of working in the absence of Alaska tourism data, the author arrives at some perceptive conclusions about the social, economic and environmental impact of tourism.

The study concludes that before jumping off and developing bush facilities the State should weigh the costs and benefits of doing so. Since even sketchy information indicates tourism

may have some costs in addition to its benefits the study suggests a program for getting adequate information on tourism and then making a decision.

This study is important because it is the first written attempt at addressing the costs which exist in any form of development as well as the benefits of tourism. It is a realistic document.

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